



# Draft 5-Year Strategic Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant and HOME Investment Partnership Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

## 1. MANAGING THE PROCESS

Over the last five years, with the swell and deflation of the housing market, housing affordability has improved statistically. The City, however, remains one of the least affordable communities in the nation. Despite lower median housing prices, a high percentage of Santa Barbara residents remain financially challenged due to other factors. One of the main issues currently is the quickly shrinking tax base upon which the City relies for services. Coupled with reduced revenues at the State level, many who rely on local, county, and State services are seeing their programs severely reduced or eliminated.

In order to make an informed decision on how to proceed in the coming years, the City has undertaken the task of preparing this document to assess the housing characteristics, trends and needs of the City of Santa Barbara.

### Identify the Process by Which the Plan was Developed

The Housing and Redevelopment Division of the City of Santa Barbara Community Development Department acted on behalf of the City as the lead agency for development of the Consolidated Plan. The City of Santa Barbara published its most recent Consolidated Plan in May of 2005, covering the period from July 1, 2005 to June 30, 2010.

The process included outreach and consultation with agencies, groups, organizations and others interested in the development and preparation of the Consolidated Plan. The City of Santa Barbara Community Development and Human Services Committee has been actively seeking input from the public and private providers of housing or services for special needs groups since at least 1992 when a series of panel discussions were held to assist the City in assessing its housing needs. Communication lines are maintained with these groups to create an ongoing dialog on local housing issues.

Because the development of goals and strategies for housing and community development is an ongoing process, the development of the Consolidated Plan drew upon a number of recent planning efforts. Much of the data on housing needs and market conditions, as well as specific strategies for addressing those needs, has been taken from discussions with a variety of groups and interests in the City, including City Planning Staff involved with recent efforts to update the Housing Element of the City's General Plan. The General Plan update process has been ongoing and has included a lengthy research process and public input including numerous public hearings. Information on the needs of homeless persons draws from numerous interviews and information from public hearings held to develop the Santa Barbara County-wide 10-Year Plan to End Chronic Homelessness, which was adopted in 2007.

Other groups have held their own forums over the past five years, many of them related to the Plan Santa Barbara process by which the City has been attempting to come up with community consensus on a vision for the City's future. A key component of this process involves preparation of the City's state-mandated General Plan Housing Element. Community-wide discussions were held to formulate strategies to define housing needs and develop strategies for meeting them.

Throughout these discussions there has been expressed an increasing need for greater numbers of affordable residential opportunities for all segments of the population, and the resources to develop these residential opportunities. The cost of land and construction has all but eliminated the possibility of traditional financing and development methods producing the types of units needed. The City continues to look for methods to assist in funding or providing capital improvements and/or facilities, which continues to produce some results. For the neediest and those with disabilities, there is an even greater need for funds to pay for tenant services and operating expenses.

The City of Santa Barbara Community Development and Human Services Committee served as the initial conduit for information gathering and plan review for this years Consolidated Plan. A public hearing on the Consolidated Plan was held on September 22, 2009 in the David Gebhard Public Meeting Room at 630 Garden Street. The hearing, which was noticed in the local newspaper, was held in the "early development stage" of the Consolidated Plan. The updated draft Consolidated Plan was available for a 45-day period beginning March 18, 2010. Another public hearing was held on March 23, 2010 on the proposed activities to be included in the 2010-2014 Consolidated Plan. Presentations and discussions led to inter-government and social service agency cooperation and coordination. This came about through their participation in this meeting, and by follow up consultations with appropriate social service agencies regarding what they saw as the special housing needs in the Santa Barbara area.

## Consultations

In the development of the Consolidated Plan, City staff consulted with public health agencies regarding lead-based paint issues, the City of Santa Barbara Housing Authority to coordinate activities between the City and Authority, and the County of Santa Barbara regarding housing, homelessness, and community development needs and strategies.

A great deal of input was obtained by interviewing service providers and responsible agencies on the needs of the community as a whole and gaps in services provided. Interviewees included service providers, governmental representatives, consumers, and advocates from the homeless, mental health, AIDS and housing communities.

The City continues to work with the County through the Homeless Task Force and development of the Santa Barbara County-wide 10-year Plan to End Chronic Homelessness. When it was adopted, approval of the Plan was obtained from five neighboring jurisdictions including the County of Santa Barbara. Implementation of the 10-year Plan to End Chronic Homelessness is now the responsibility of the South Coast Homeless Advisory Committee and includes City involvement.

Consultations with over 70 organizations and service providers were held as part of the City's annual funding cycle for the Community Development Block Grant program. The City of Santa Barbara Community Development and Human Services Committee was responsible for interviewing applicants and conducting site visits. The results of these consultations were used to

help refine the needs assessment, identify priorities, develop the strategy, and build community-wide support for the plan.

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## CITIZEN PARTICIPATION

### Summary of Process

The development of this Consolidated Plan for 2010-2015 invited citizen participation at several public meetings, consisting of:

- September 22, 2009 – Community Development and Human Services Committee held a public hearing seeking input on the Consolidated Plan update.
- February 2, 4, 9, 11, and 16 - Community Development and Human Services Committee held open interviews with applicants for CDBG and Human Services funds.
- March 23, 2010 – Public hearing by the City Council on Community Development and Human Services Committee funding recommendations for FY 2010-2011 for CDBG and Human Services Funds.
- March 23, 2010 - City Council hearing to review the 2010 – 2015 Consolidated Plan and take action on the first-year funding recommendations.

### Summary of Comments

**General Plan Workshops** - The City conducted workshops in April 2008 to identify strategies for inclusion in the General Plan update. These public meetings were held in four locations throughout the City on four separate dates. In addition to allowing attendees to speak, those in attendance were given comment cards to fill out and return to address four key concepts: 1) Living within Our Resources – Future Growth; 2) Community Character; 3) Transportation; and, 4) Housing. Additionally a website was set up and continues to invite comments. In total, 150 persons attended the workshops and 104 contributed their thoughts via the comment cards.

Specific questions related to housing were:

- *Should the City require large employers to provide employee housing, either in their own projects or by paying in-lieu funding?* In this regard, most respondents were favorable to the idea but were only willing to go along with some type of incentive program.
- *Should the density standards be changed to increase the proportion of affordable units in relation to market-rate units?* A majority also favored increased density to achieve more affordability, but thought restrictions on overall population and sufficient livability should also be studied.
- *Should all new development be required to pay a housing mitigation fee toward providing affordable and workforce housing?* Most respondents were skeptical that mitigation fees would work due to increasing costs. Incentives were frequently mentioned, and ways to ensure critical workforce housing was provided.
- *Should the City Zoning Code provide incentives for affordable rental housing, including establishment of a rental housing overlay zones?* Most respondents felt that, with strong standards in place, this would help meet several goals, and could put a number of affordable units near where most jobs are available.

Overall, most of those who participated understood the significant issues associated with housing. Many wanted to see more done for the middle-class and for existing residents. The general consensus was that additional housing opportunities were worth exploring, especially for groups that are not being served by the current market, but the implications, such as the economic impact, environmental impact, and affect on the quality of life, were important.

**Interviews** – Interviews were conducted with a number of non-profits and service providers to gain their input on unmet needs of special needs populations and any other observations they have on the housing situation in Santa Barbara. The most common needs are listed below. A list of those interviewed is in the Appendix.

- Additional affordable rental units for extremely low- and low-income households
- Additional affordable rental housing for elderly and disabled persons
- Services for Veterans
- Alcohol detoxification beds and care
- Energy efficiency improvement assistance
- Crime prevention/Safer neighborhoods
- Domestic violence programs and support services
- Emergency shelters and transitional housing for women and families
- Transitional housing for women and children victimized by domestic violence
- Community youth center and youth programs
- Accessible and affordable public transportation services
- Job training and retention
- Workforce housing

**Community Development and Human Services Committee applicant interviews** - Applicants offered testimony on existing needs in the community during this year's hearings for funding requests. The following people provided input:

City of Santa Barbara City Council  
City of Santa Barbara Community  
Development Department  
City of Santa Barbara Parks and  
Recreation Department  
City of Santa Barbara Public Works  
Community Development Human  
Services Committee  
Housing Authority of the City of  
Santa Barbara  
County of Santa Barbara  
AIDS Housing Santa Barbara  
Bringing Our Community Home  
Casa Esperanza  
Casa Serena  
Catholic Charities  
Channel Islands YMCA  
Child Abuse Listening & Mediation  
City At Peace

Community Action Commission  
Community Kitchen  
Council on Alcoholism and Drug  
Abuse  
Court Appointed Special Advocates  
Domestic Violence Solutions for  
S.B. County  
Environmental Education Group  
Family Service Agency  
Family Therapy Institute  
Foodbank of Santa Barbara County  
Friendship Center  
Future Leaders of America  
Girls Incorporated of Santa Barbara  
Independent Living Resource Center  
Jewish Federation  
Jodi House  
Legal Aid Foundation  
Long Term Care Ombudsman

Mental Health Association  
New Beginnings Counseling Center  
Noah's Anchorage YMCA  
Pacific Pride Foundation  
People's Self-Help Housing  
Planned Parenthood  
Primo Boxing Club  
Rental Housing Mediation Program  
Santa Barbara Bicycle Coalition  
Santa Barbara Community Housing Corporation  
Santa Barbara County DA – Victim Witness  
Santa Barbara Neighborhood Clinics

Santa Barbara Police Activities League  
Santa Barbara Rape Crisis Center  
Santa Barbara Youth Mariachi  
Senior Programs of Santa Barbara  
St. Vincent's  
Storyteller Children's Center  
The PARC Foundation  
The Boy's & Girl's Club  
United Boy's & Girl's Club  
Transition House  
WillBridge  
Women's Economic Ventures  
yStrive for Youth

### Process for Public Review and Comment

A public hearing to solicit input from Santa Barbara residents regarding housing and supportive service needs, non-housing community development needs, and to receive comments on the draft plan will be held during a City Council meeting on March 23, 2010. Citizens were invited to provide comments and input. A public notice was placed in the Santa Barbara Daily Sound newspaper and the Pacific Coast Business Times to announce the availability of the Plan, the public hearing date, and the comment period.

Copies of the draft Plan will be available for a 45-day comment period and will be placed on file at the main branch of the Santa Barbara Public Library and made available in both the Housing and Redevelopment Division and the Office of the City Clerk. Copies of the draft Plan will also be posted on the Housing and Redevelopment Division's website. Public input from the City Council meeting and any other public comment received during the comment period will be incorporated into this Consolidated Plan.

The goals of this Plan reflect the goals of the City Council and the community.

### Efforts to Broaden Public Outreach

Extensive efforts were undertaken over the past few years to solicit input on the needs of the community during the Plan Santa Barbara process. The neighborhood meetings that were held as part of the Housing Element update represented an unprecedented commitment to soliciting input from a variety of sources on the overall health and well-being of the City and its future direction. These meetings were publicized via newspaper announcements as well as through the City's Plan Santa Barbara website. Interviews with service providers and those involved with specific groups were utilized to focus the input of residents on needs, priorities and strategies. The meetings of the Community Development and Human Services Committee are held each year in February and were widely announced and publicized.



## 2. INTRODUCTION/EXECUTIVE SUMMARY

### INTRODUCTION

The City of Santa Barbara Community Development Department Housing and Redevelopment Division served as lead agency in the development of the City's CONSOLIDATED PLAN for Fiscal Years 2010-2014 and the ANNUAL ACTION PLAN for Fiscal Year 2010. The Consolidated Plan is required of local governments that apply directly for federal funds under certain housing and community development programs, such as the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships Program. These federal programs are administered by the U.S. Department of Housing and Urban Development (HUD).

The Consolidated Plan for the City of Santa Barbara has been developed through extensive analysis of available data, consultations with other governmental agencies, local non-profit agencies, and the needs of the community expressed through the citizen participation process. The plan maintains a focus on HUD's basic national goals of providing decent, affordable housing, a suitable living environment, and expanded economic opportunities especially for low and moderate income persons. The document describes the overall housing and community development needs of the jurisdiction and outlines a five-year strategy that establishes priorities for meeting those needs. It sets a unified vision for the City and implements that vision by means of a specific course of action.

The first part of the Consolidated Plan is a comprehensive planning document that describes the overall housing and community development needs of the jurisdiction and outlines a five-year strategy that establishes priorities for meeting those needs. The 2010 Action Plan outlines the resources anticipated to be available and specifies the activities proposed to be undertaken during the 2010-2011 Fiscal Year, from July 1, 2010, through June 30, 2011. These resources and activities have been selected specifically to address the priority needs outlined in the Strategic Plan.

It should be noted that the Consolidated Plan is based, in part, on 2000 census data. More recent information from various sources was also used when it was available. Information from the 2006 – 2008 American Community Survey of the US Census was used, but a number of the finer details, such as disability status by age or income, were not updated in that Survey. Information from the 2009 Santa Barbara County Economic Outlook (UCSB Economic Forecast Project), and the 2009 California Department of Finance was used for economic and demographic estimates. These have been incorporated into the analysis where appropriate.

The primary sources of funding that will be available to the City are Federal Community Development Block Grant entitlement funds and HOME Program entitlement funds, as well as funds available through Redevelopment Agency sources and other City programs. All CDBG and HOME activities to be undertaken by the City are described in the Action Plan.

Copies of the Consolidated Plan and the 2010 Action Plan are on file at the Housing and Redevelopment Division office, 630 Garden Street, second floor; the City Clerk's office in City Hall, 735 Anacapa Street; and the City Library, corner of Anacapa and Anapamu Streets. These copies are available for public review and examination. Interested persons may obtain their own copy of the documents at the Housing and Redevelopment Division office.

## EXECUTIVE SUMMARY

The City of Santa Barbara's 2010 Consolidated Plan represents a strategic vision for housing and community development. This document includes a snapshot of existing conditions in order to formulate broad five-year goals, strategies to accomplish these goals, and a one-year action plan that shows how we can address current needs. The goals are: to assist extremely low and low income persons, provide decent housing, create suitable living environments, and expand economic opportunities.

### Citizen Participation

Elements of the Plan were developed with active citizen input, including a citizen advisory committee who participated in the development of the various sections of the Consolidated Plan. Public hearings for input and review of the Plan were conducted on September 22, 2009 and March 23, 2010. The draft report was available for public review for a 45-day period, and notice to that effect was provided in the newspaper on March 18, 2010. Copies of the Plan were available in the Public Library, City Hall, and Community Development Department, as well as on the City of Santa Barbara website at [www.santabarbaraca.gov](http://www.santabarbaraca.gov).

### Community Profile

The City of Santa Barbara is located in the South Coast area of Santa Barbara County, on the Pacific Ocean. It occupies an area of 23 square miles and has an estimated population of 90,308, up from 87,944 in 2000, although the rate of increase was slower than the historic rate. Annual estimates show a decrease in population as the economy began to dip in 2005. Santa Barbara's limited supply of developable land, a relatively balanced economy, position in the local economy as an employment center, attractiveness as a tourist destination, and high quality of life, have combined to make this city one of the most expensive in which to live.

In the 2000 Census, 21.2% of all households in Santa Barbara had incomes below 50% of the citywide median income. These households tended to be concentrated in six census tracts that constitute an area of low income concentration. The Hispanic population is also concentrated in these six census tracts. The Hispanic population now constitutes 32.4%, a reduction from 37% in 2000. The Hispanic population also decreased in numbers, from 32,330 in 2000 to 27,654 in 2008. The Asian population (3.8%) is distributed throughout the city, while the Black population (2.2%) is concentrated in two of the lower income neighborhoods. Based on discussions with the County and local social service providers, there has been little change since 2005 in the proportions and distributions within the population.

### Housing Market Profile

Median housing prices have come down in the past three years, from a high of \$1.2 million to \$825,000, but Santa Barbara remains one of the least affordable markets in the nation. Overall demand is greater than supply, as with many coastal California communities.

Housing construction has not kept pace with demand; there have been only 572 new units constructed since 2005.



Vacancy rates, a signal of "market balance," are low, but have increased slightly the past few years. Overcrowding has also decreased overall, but remains a serious factor for segments of the population with special needs, such as the disabled.

The median family income for a family of four is considered to be \$70,400, an increase from five years ago, but far short of what would be needed to keep up with the cost of housing. Sixty-seven percent of owners and 58% of renters report paying more than 30% of their income on housing.

## Homeless Needs

There are several shelters and housing options for the general homeless population (families, single men and women), SRO hotels, and additional shelters for special needs populations such as mentally ill, victims of domestic violence, alcohol/drug addicted, people with AIDS, and youth. The total capacity is 934 beds/rooms/units in the winter months (Dec-Mar) and 834 in the non-winter months (Apr-Nov). This including 200 emergency shelter beds which are only available in winter months; 100 of these beds are available for transitional housing during the non-winter months. Based on estimates from service providers, there have been increased numbers of homeless seeking services in the area. Estimates vary widely of the exact number of homeless, but all agencies have cited an increased demand this year over last year, and this month over last month. Shelters are seeing more homeless families with children.

## Projected Housing Needs

Needs for assistance far exceeds available resources. The City has prioritized certain needs as more critical and attainable given the funds available.

There are limited number of rental units available to low and very low income renters and the housing available to them has a greater probability of being substandard. There are very few affordable units available for large families, and discrimination against families with children does occur. There are very long waiting lists for Housing Authority assistance. Minorities on the average have a lower median income than the City as a whole, and minority-headed households constitute a high percentage of the low and very low income renters.

Very low income and low income households were identified as having high priority needs. The largest segment (nearly 90%) of these income groups are renters. By far the greatest issue relates to cost burden faced by these groups: 58% of all renters pay more than 30% of their income on housing.

The needs of the elderly, disabled, single-parent households, and alcohol and drug abuse victims were also identified as having high priority needs. A significant number of persons in these categories are also in the very low and low income categories for various reasons, compounding the need. Necessary services for these groups are in short supply. Those with special needs also have fewer units available to them due to their specific circumstances, like special adaptations for the disabled, or proximity to services or transit for the elderly. This reduces their housing selection, and makes them sensitive to discrimination.

Rehabilitation of existing housing remains a strong need with 49% of the housing stock constructed prior to 1960.

## Other Actions

**Barriers to Affordable Housing** - The City has a variety of barriers on the production of affordable housing. Market barriers are not very flexible, and there is little the City can do regarding the supply of land and mortgage financing practices. Physical barriers such as zoning restrictions and the age of the housing stock play their roles. Permit processing requirement and construction standards are necessary to maintaining the quality of life in Santa Barbara.

**Obstacles to Meeting Underserved Needs** – The largest obstacle to meeting the underserved needs in the City is the lack of funding necessary to meet the sustained demand for services. Governmental agencies at all levels are expecting several more years of reduced tax revenue. Most communities have made difficult decisions as to which programs to cut and Santa Barbara is no exception. More and harder choices will be faced in the coming year on how to divide the projected shrinking municipal income.

**Institutional Structure** – The City of Santa Barbara Housing and Redevelopment Division served as the lead agency in preparing this plan in consultation with other City Departments, the County of Santa Barbara, community service providers, and the public. The City also partners with the Housing Authority of the City of Santa Barbara in providing housing and services, and works closely with non-profit agencies to reach common goals.

**Public Housing** – The Housing Authority of the City of Santa Barbara is the local public agency providing safe, decent, and high-quality affordable housing and services to eligible persons. The Housing Authority is considered a high performer by HUD, and provides 1,021 units of affordable housing along with managing 1,955 Housing Choice Vouchers in the community.

**Fair Housing** – Housing discrimination exists, but often is unreported because of the high demand for affordable housing. The City regularly investigates complaints of all types of housing discrimination (race, age, ethnicity, religion), but the most common is discrimination against families and children.

**Community Development Needs** – Community development needs include a wide variety of neighborhood facilities such as child care centers and youth activity centers, improvements to parks and public space infrastructure, human services to support physical development activities, and economic development.

**Lead-Based Paint** - An estimated 21,904 housing units in the city contain lead-based paint. The City's Housing Rehabilitation Program regularly tests for lead-based paint hazards whenever a housing unit is being evaluated for rehabilitation, and it is expected that testing and safety procedures will soon be required for all remodeling construction.

**Anti-poverty Strategy** – The City will take steps to address the structural causes of poverty, providing a safety net to help families make progress along a continuum toward self-sufficiency. Youth development and anti-gang strategies are important in breaking the cycle of poverty.

## STRATEGIC PLAN/ACTION PLAN

The Strategic Plan brings needs and resources together in a coordinated housing and community development strategy. The Consolidated Plan includes application for funds under two different HUD formula programs (Community Development Block Grant and the HOME Investment

Partnership Program), totaling approximately \$2.1 million. The strategy has been developed to achieve the following statutory goals for low income residents: provide decent housing, create suitable living environments, and expand economic opportunities.

#### Housing and Community Development Objectives and Outcomes

##### **DH-1 Availability/Accessibility for the Purpose of Providing Decent Housing**

The City's Housing Rehabilitation Loan Program will rehabilitate substandard low to moderate income housing units. The Housing Authority will renovate housing units owned by the Housing Authority. In addition, the City will support the Fair Housing Enforcement Program, Rental Housing Mediation Task Force, Legal Aid Foundation, and policies that help to overcome barriers to affordable housing. The total long-term funding expected to be available is \$1,300,000 annually.

##### **DH-2 Affordability for the Purpose of providing Decent Housing**

The City will combine funds from various sources including the Redevelopment Agency, HOME, private banks, and public housing development to create new housing. In addition, the HRLP program will rehabilitate substandard low to moderate income multi-unit housing. The long-term funding expected to be available is \$30,000,000 annually.

##### **SL-1 Accessibility for the Purpose of Creating Suitable Living Environments**

The City supports programs which provide emergency shelter and transitional housing for homeless persons, prevent individuals and families from becoming homeless, help homeless persons to transition to permanent housing, and provide permanent supportive housing. The expected funding totals \$1,100,000 annually.

##### **SL-3 Sustainability for the Purpose of creating Suitable Living Environments**

The City supports a variety of social services including neighborhood centers, and public facilities improvements. Expected funding is \$500,000 annually.

##### **EO-2 Affordability for the Purpose of Creating Economic Opportunities**

The Community Development Loan Fund will provide small business loans to persons who do not qualify for conventional bank loans. Expected funding is \$100,000 annually.

## **2010 Action Plan**

The action plan identifies the proposed use of the \$2.1 million from the two formula grant programs (CDBG and HOME), funds recaptured through "program income", and funds from local sources. Projects/programs that are operated citywide are noted as such. Most of the projects are concentrated in the most needy neighborhoods; those census tracts with 51% or more of the residents who are low or moderate income. Proposed FY 2010 CDBG and HOME projects are listed below:

- \$54,000 to Casa Esperanza for the operation of a homeless day center providing basic human services and supportive services for 1,600 low-income homeless persons.
- \$12,000 to Catholic Charities for financial assistance, supportive social services and case management for 2,100 low-income persons.
- \$22,000 to Channel Islands YMCA, Noah's Anchorage, for operation of an emergency housing shelter for 200 homeless and disenfranchised youth.

- \$8,941 to the City of Santa Barbara's Fair Housing Enforcement Program to respond to eight inquiries and investigate reported cases of housing discrimination, as well as educate the public on housing rights and responsibilities.
- \$140,000 to the City of Santa Barbara's HOME Project for acquisition and rehabilitation of affordable housing rental units.
- \$350,000 for acquisition and/or new construction of a HOME Project for affordable housing.
- \$50,000 in HOME program income funds for security deposit assistance to assist homeless persons in securing permanent housing.
- \$200,000 in HOME funds for tenant based rental assistance to assist homeless and special needs persons in securing permanent housing.
- \$97,407 to City of Santa Barbara's Rental Housing Mediation Program to provide 1,450 information and mediation services to landlords and tenants at risk of homelessness.
- \$261,762 in FY 2010 entitlement and \$76,564 in CDBG reprogrammed funds for a total of \$338,326 to City Target Area Neighborhood Improvement Projects (CTANIP), to create a teen center at the Franklin Community Center, to install access ramps and sidewalks in low-income neighborhoods, to improve safety by installing a chain link fence around a community ball field, to install air-conditioning units at two Westside community centers where seniors hold activities and receive services, and to rehabilitate the restrooms at Ortega Park.
- \$203,000 in FY 2010 CDBG entitlement, \$250,000 in CDBG repayment and \$93,655 in FY 2010 HOME for a total of \$546,655 to the Home Rehabilitation Loan Program to provide capital improvement loans for low to moderate-income persons in order to improve neighborhoods, maintain and upgrade the City's low-income housing stock by eliminating hazards to health and safety, and halting the deterioration of the structures.
- \$38,668 to Domestic Violence Solutions for the operation of an emergency shelter serving 150 battered women and their children.
- \$94,945 to Noah's Anchorage to repair and upgrade the home, including replacing the windows and floors in order to provide shelter to 200 homeless youth.
- \$26,590 to Girls Incorporated to repaint the wood trim on two buildings at the center, which serves 200 young girls.
- \$47,330 to Santa Barbara Neighborhood Clinics to replace the floor at the Westside Neighborhood Clinic that serves 4,500 clients.
- \$43,000 to Transition House to operate a transitional housing shelter for 375 homeless persons.
- \$26,603 To United Boys & Girls Club to convert an existing room into a music room to provide, in partnership with Notes for Notes, a Music Box Center where participants can access music instruments, instruction and tools to create their own music.
- \$25,000 to Women's Economic Ventures to provide micro-enterprise assistance including training, capital and technical assistance for 200 low to moderate-income persons.

### 3. COMMUNITY PROFILE

The Community Profile section of the Consolidated Plan provides a brief sketch that addresses physical, social, housing, economic, and demographic trends. This section serves as the basis for determining the housing and community development needs in Santa Barbara. To determine the present and future needs of the City of Santa Barbara, demographic and socioeconomic variables such as population, employment, households, income, and housing stock characteristics must be analyzed. Detailed information is provided by the City's Housing Element, US Census data, and other resources listed in the Introduction.

Santa Barbara is situated along the South Coast area of Santa Barbara County. The California coast line turns to face the south below Point Conception, which, combined with the Channel Islands approximately 25 miles off shore, serves to buffer the city from the strong marine influences that shape the climate of the northern California coast. The South Coast is geographically isolated from the rest of Santa Barbara County by having the Pacific Ocean to the south and the Santa Ynez mountain range to the north. The city occupies an area of 23 square miles of the coastal plain and foothills. Approximately three miles to the west of the City of Santa Barbara lies the City of Goleta. The area between the City boundaries is unincorporated, but urbanized, with a similar pattern of development. The unincorporated area of Montecito lies to the east. The population of the County as a whole in 2000 was approximately 399,347. Although the north county City of Santa Maria is growing at a faster rate, Santa Barbara is the commercial, financial and governmental center for Santa Barbara County and is one of the oldest communities in California. The majority of jobs are in the retail, tourist, high tech, government, education, and health care sectors of the local economy. Facilities for higher education include the University of California at Santa Barbara (in Goleta), Santa Barbara City College and Westmont College (in Montecito, adjacent to the city limits).

Santa Barbara is a full-service City, providing police and fire protection, animal control, emergency medical aid, building and safety regulation and inspection, street lighting, beautification, water, sanitation, land use planning and zoning, housing and community services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement, parks services, and a full range of recreational and cultural programs for citizen participation. The City owns and operates its own airport, harbor, sewage treatment plant, and water supply system.

Santa Barbara's natural coastal setting and Mediterranean climate provide an extremely attractive living environment. This setting has a substantial impact on employment characteristics as well as the City's economic base. These conditions attract people who compete for residential opportunities that are limited due to the finite amount of available land, and existing residents desire to maintain their unique quality of life.

#### DEMOGRAPHICS

The following information provides a profile of the population, age, and racial/ethnic composition of Santa Barbara, as well as anticipated future changes.

## Population

According to the US Census, the City's population was 87,944 in 2000, which was a 6.09% increase from 1990. The City's population was estimated at 90,308 in 2009 by the State Department of Finance, an increase of 2.7% percent from 2000. Annual numbers showed a downturn in the number of people living in the City as the economy began to dip in 2005 (0.5% decrease) and 2006 (1.0% decrease). Population has stabilized since then and is expected to increase, although at a lower than historic rate.

Santa Barbara's current population is expected to be approximately the same in 2013 according to the UCSB Economic Forecast Project's Economic Outlook 2009. The County is expected to continue to grow at an annual rate of over ½ percent during that period, with Santa Maria, Buellton, and the unincorporated areas in northern Santa Barbara County experiencing the highest rates of growth.

The City of Santa Barbara has experienced a lower growth rate than the County. Between 1980 and 2000, City population grew about 22%, an average of just over 1% per year. During that same time, Santa Barbara County's population increased 33%. Over the past decade, however, the County's growth rate has decreased to a rate similar to the historic rate of the City of Santa Barbara, although the County did not experience a decrease in the 2005 - 2006 time period.

## Age

According to the 2000 US Census and recent estimates, the median age in the City of Santa Barbara is approximately 37.7 years, as compared to 34 for Santa Barbara County. Youth (under age 18) account for 17% of the population, including approximately 5% of the total population under the age of 5 years. The under 18 population makes up a smaller percentage of the total population for the City (17%) compared to the County (24%) or State (26%). About 14.3% of Santa Barbara residents are seniors age 65 or over, which is a higher concentration than the County (13%) or State (11%). Young adults (18 – 25 years) make up approximately 14% of the population, which is more than likely influenced by the popularity of Santa Barbara City College, Westmont College, Brooks Institute, and the University of California, Santa Barbara as institutions of higher learning.

## Race/Ethnicity

The 2008 American Community Survey estimates reported that 80% of the Santa Barbara population identified themselves as White. Asians composed 3.8% of the population; Blacks/African Americans were 2.2%. Those of two or more races were 1.6%. The remaining racial groups were Pacific Islander (0.2%), and Native American 0.7%. Those who categorized themselves as 'Other' combined to total 11 % of the population.

The percentage of people of Hispanic origin in the City decreased from 35% in 2000 to 32.1% in 2008. The US Census estimates for 2008 showed the Hispanic population being 27,654, which would be 32.4% of the overall population. The Southern California Association of Governments had predicted the percentage to increase, so the numbers reported by the US Census are unexpected. In large part, it is believed that a portion of the decrease can be attributed to the larger percentages of the Hispanic population affected by the economic recession. The Hispanic population also constitutes a larger percentage of the rental housing category and pays a larger



portion of their incomes for housing. Persons in these categories would be more sensitive to the economic downturn, in particular, downturns in the hospitality sector of the local economy.

Areas with concentrations of racial/ethnic minorities are all in the downtown census tracts: 8.01, 8.02, 9, 10, 11 and 12.04. The Consolidated Plan defines areas of concentrations of racial/ethnic minorities as census tracts where the combined total of ethnic/minorities total 50% or more of the census tract. Census tract 8.01 and 8.02 (east of State Street) contain the highest concentrations with over 70% minority populations. Hispanics form the majority of minorities in the concentrated areas. Blacks, although less 2% of the City's population and not more than 5% of any census tract, have their highest concentration in tracts 8.01 and 9 (east of downtown and west of downtown).

## HOUSEHOLD PROFILE

A household is defined by the US Census as a group of people who occupy a housing unit (equivalent to an occupied housing unit). A household differs from a dwelling unit because the number of dwelling units includes vacant dwelling units. Not all of the population lives in households; a certain number live in group quarters such as board and care facilities and others are homeless.

The specific characteristics of new households play an important role in determining current and future demand for housing. The type, size, and composition of a household can affect the type of housing and services that are needed. Households can change even during periods of static population growth. In analyzing the household profile, household type and the number of persons per household are important indicators of the relationship between growth and need. The following section includes a brief analysis of recent trends in population and household types and sizes.

The US Census 2008 American Community Survey estimates that Santa Barbara had 35,461 households in 2008, a 0.5% decrease over 2000 US census figures. Total household population was reported to be 83,296, a decrease of 5% over the household population in 2000. As a result, the average household size decreased from 2.47 to 2.35 persons per household.

The US Census 2008 American Community Survey estimates that 50.6 percent of households are considered families. Of these households, 73% are married couples and 27% are single-parent families. Eighteen percent (18%) of all families are reported as being female head-of-household and 9% are male head-of-household. Forty percent (40%) of families have children under the age of 18.

Compared to Santa Barbara County and California, the City of Santa Barbara has a higher share of single households and other non-family households. This is an important consideration in projecting the type and income-levels of households that are present in the city. Including both singles and "other family" household types, nearly 50% of households will be single-wage earners. It could also reflect that Santa Barbara has a higher proportion of seniors, with 24.1% of all households have a member age 65 or older.

**TABLE 1**  
Household Types

Household Types	City of Santa Barbara		County of Santa Barbara		California	
	2000	2006-2008	2000	2006-2008	2000	2006-2008
Single	33%	33%	24%	26%	23%	25%
Married, not living with own children	22%	23%	27%	26%	25%	25%
Married, living with own children	19%	14%	26%	22%	27%	24%
Other Family	13%	14%	14%	15%	17%	19%
Other Non-Family	13%	16%	10%	11%	7%	7%
Total Households	100%	100%	100%	100%	100%	100%

Source: 2000 U.S. Census; 2006-2008 American Community Survey; Strategic Economics, 2009.

## SPECIAL NEEDS PROFILE

The housing needs of some groups were highlighted as special housing needs which warrant additional discussion because they have unique requirements or conditions related to housing. The housing needs of these groups represent a compound problem in that, economically, they have difficulty competing for housing, some of the groups may need unique physical configurations or support services, and there is a limited supply of such housing available.

Persons who are part of this demographic are also statistically more apt to be within the low or moderate-income levels since the factors that limit housing also limit employment opportunities. The groups that categorically fall under special needs are persons with disabilities, the elderly, frail elderly, large households, female-headed households, persons with substance abuse problems, homeless persons, victims of domestic violence, and persons with HIV/AIDS.

Discussion later in this document is intended to identify more specifically the needs of the various groups, as well as solutions to meeting these needs. The demands of these groups are important because they often "compete" for the same type of housing. A common need is the lack of affordable housing for each of these groups as there are relatively lower incomes associated with special needs groups, and generally, a demand for affordable housing that far exceeds the supply.

### Persons with Disabilities

The US Census 2008 American Community Survey did not estimate disability data for the city. The only counts available are from the 2000 Census. In Santa Barbara, approximately 15% of the total population, or 12,239 persons, have some form of a disability. Of the total number of disabilities:

- 27% are physical disabilities;
- 12% are sensory disabilities;
- 16% are mental disabilities; and,
- 7% have self-care disabilities.

The relationship of these individuals to poverty is critical in that their needs for housing and essential services may not be met. In 2008, 13.6 % of disabled males, and 20.3 % of disabled females had incomes below the poverty rate. Also, of the total number of males living below the poverty rate it was estimated that 21% were disabled. Of females, 27% are disabled.

## Elderly and Frail Elderly

Persons at or over the age of 65 made up 14% (12,449) of the population in Santa Barbara in 2008 according to the US Census American Community Survey. This is slightly higher than the County or State.

Around 34% of households in Santa Barbara include persons 65 years old or older. About 28% of the elderly population lives in rental housing compared to 59% of the general population. Approximately 72% of elderly residents own their homes compared to 41% of the general population. Of the seniors in Santa Barbara, 4,749, or 45% have a disability.

## Large Households

Household size helps determine the size of housing units needed within the City. Households of five or more persons are considered large households.

According to the 2000 US Census, 10% (3,306) of all households in Santa Barbara have five or more persons. The City has seen an increase of 849 large households since 1980 when Santa Barbara had 2,457 large households.

About 60% of large households own their home. Almost 79% of owner-occupied housing units have three or more bedrooms. Only 27% of rental housing units have three or more bedrooms. There is not a shortage of adequately-sized units, but affordability of the units is an issue for large households in the low and moderate-income categories.

## Single Parent Households

In 2008, 13.7 % of all Santa Barbara households were headed by single parents with children. Of those, 69% (3,371) are headed by women. About 18% of female-headed households live in poverty as defined by the US Census Bureau. This measure of poverty is calculated by comparing a household's income to a standard measure of expense thresholds that cover typical living expenses, such as the cost of food. If the household income is below the poverty threshold for the household size, that household is considered to be living in poverty by the Census.

## Alcohol/Other Drug Abuse

The Santa Barbara County Department of Health estimates that 1,237 persons living in Santa Barbara suffer from drug and alcohol dependencies. The Santa Barbara Police Department estimates that 75% of violent crime, 90% of robberies, and 65% of traffic accidents are related to drug and alcohol use.

## Persons with HIV/AIDS

The Santa Barbara County Department of Health tracks AIDS cases in the County. In 2008, 188 cases (134 HIV, 54 AIDS) were reported by the Department. During the 12-month period, six of those cases reported (four HIV, two AIDS) originated from the City of Santa Barbara.

## Victims of Domestic Violence

Individuals fleeing domestic violence are generally women and children. During the 2007 calendar year, Santa Barbara Police responded to 1,739 calls involving domestic violence issues. On average, Santa Barbara police officers responded to five domestic violence calls each day. Women between the ages of 18 and 44 are at an increased risk. Lower-income women and Hispanic women are at greater risk of domestic violence.

## INCOME PROFILE

Income is the leading factor that directly affects a household's access to housing and services. For purposes of the Consolidated Plan, HUD defines income levels, which are based on the area median household income (AMI), as shown in Table 2.

**TABLE 2**

Maximum Incomes for Various Income Categories  
February 13, 2009

	Number of Persons in Household						
	% of median	1	2	3	4	5	6
Median Income	100%				70,400		
Extremely Low Income	0 – 30%	16,350	18,700	21,000	23,350	25,200	27,100
Low Income	31 – 50%	27,250	31,100	35,000	38,900	42,000	45,100
Moderate	51 – 80%	43,600	49,800	56,050	62,250	67,250	72,200

The figures in Table 2 are used to determine whether a household is eligible for affordable housing in Santa Barbara. Extremely low income is  $\leq 30\%$  of the AMI, low income is 31 – 50%, and moderate income is 51 – 80% of the AMI. Median income for Santa Barbara County is currently at \$70,400 for a family of four.

HUD has changed the method of setting the maximum incomes for the very-low income and low income categories in Santa Barbara County. HUD did this in order to adjust for the high housing costs of the area. In past years, the limit for the very-low income category was 50% of the AMI for a given household size, and the limit for the low income category (also called “low and moderate income” by HUD when used in the CDBG Program) was 80% of the AMI.

Under the new method of calculation, HUD supplies the very-low income limits based on the incomes needed to qualify for certain subsidized housing in the area. This very-low income limit will be higher than it would be if Santa Barbara County were not a high housing cost area. And, this higher number is used as a basis for calculating the “low and moderate” income category limits.

To get the “low and moderate” income limit for the City, staff doubles the HUD limit for a very-low income household of four, and then multiply this number by 80% [ $\$38,900 \times 2 \times 80\% = \$62,250$ ].

Santa Barbara households with incomes less than \$15,000 decreased from 14% in 2000 to 11.1% in 2008. Currently, approximately 27% of households earn less than half the median income.

In 2008, 14.4% of individuals are considered to be below the poverty line. According to US Census data, in 2008, about 18.2% of children under 18 lived in poverty.

Of those in the City living below the poverty line, 84.8% are renters.

Areas with concentrations of low income populations are in the downtown census tracts: 8.01, 8.02, 9, 10, 11 and 12.04. For purposes of the Consolidated Plan, the City of Santa Barbara defines areas with concentrations of low income as census tracts with 59% of the population having low incomes (see Appendix A).

## EDUCATION/ECONOMIC PROFILE

Education level and economic opportunities play a critical role in determining the income level of a household. The direct relationship between education and economic opportunities with income levels can act as an indicator of future household incomes and community economic patterns.

### Education Profile

According to the 2008 American Community Survey, 14% of the total population aged 25 years or older has not completed high school. Slightly more than 13% have completed high school, but have no further education. Approximately 20% of Santa Barbara residents have attended some college but have no degree, and 35% have a college degree, either an Associate or Bachelor's. Approximately 17% of residents have a professional/graduate degree.

### Economic Profile

The local economy includes the following primary industries: agriculture, manufacturing, high technology industry including research, communications, computer software, medical supply, and related supporting services, tourism, and retail. The 1990's saw the local economy suffer from large number of layoffs in the industrial sector, led by reductions in the defense manufacturing and services sectors nationally. The 2000's saw an increase in overall prosperity with financial and high-tech sectors leading the way. Similar to the economic recession of the early 1990's, the current recession has impacted the local economy heavily and has led to an out migration of those who sought better employment conditions elsewhere. Less demand for services and housing resulted in a decrease in property values and rents. As a result, new construction has slowed down, further impacting the local economy.

Employment statistics referred to below pertain to persons ages 16 and over residing in the City of Santa Barbara. These statistics also are from the 2008 American Community Survey and, as such, do not reflect more recent changes to the economy. One significant change is that the American Community Survey reports an unemployment rate of 2.9% in 2008. Unemployment is currently estimated at 9.0%.

In 2008, 74.8% of workers were employed by private institutions. Local workers who are employed by the local, state, or federal government represent approximately 13.8% of the workforce. Self-employed workers make up 11% of Santa Barbara workforce.

In 2006-2008, the majority (67%) of the residents of the City of Santa Barbara were employed in white collar occupations, including Professional and Related Occupations, Sales and Office, and Management, Business, and Financial Operations. Residents of the city hold white collar jobs at a somewhat greater rate than those of the county, and this difference has grown slightly from 2000 to 2008.

Roughly one-fifth of Santa Barbara residents were employed in service professions. These were, by and large, more typically lower-wage, manual jobs, such as cleaning, food preparation, and personal care and service.

The UCSB 2009 Economic Forecast expects the overall number of jobs to remain approximately the same over the next few years. The forecast calls for the largest declines (by job count) in Services (broadly defined) and Government. Other hard-hit sectors include Finance/Insurance/Real Estate, Retail Trade, and Durable-goods Manufacturing. Retail sales are expected to be hit particularly hard, due to demographics, the business cycle, and ever-increasing internet sales.



## 4. HOUSING MARKET PROFILE

Over the last five years, with the swell and deflation of the housing market, housing affordability has improved since the peak of the market. The following discussion identifies housing characteristics, trends, and needs in Santa Barbara. Home sales are beginning to rise and the drop in median prices has slowed, giving real estate experts the impression that the real estate market has hit bottom and is poised for a rebound. However, many still feel that the economic stability of the state of California and job security issues are still poised to be major obstacle to the successful recovery of the Southern California real estate market. The Pacific Coast Business Times forecast that the Santa Barbara residential market will rebound statistically in the coming months as declining foreclosure rates will play a major role in the improvement of median home prices. The same experts believe that the commercial real estate market will take a longer time to rebound, however, given the staggering 13.3 % vacancy rate and virtually no construction activity.

### Housing Type

The housing stock in Santa Barbara consists of the following types:

Detached single-family homes	17,836
Attached condominiums	2,392
Duplex structures	2,757
Small apartments (3 – 9 units)	7,597
Large apartments (10 units or more)	7,097
Mobile homes	353
Boats, RVs, vans	241
<b>TOTAL HOUSING UNITS</b>	<b>38,243</b>

2006-2008 American Community Survey

### Housing Tenure

According to 206-2008 American Community Survey estimates, 39% of Santa Barbara dwelling units are owner-occupied. Approximately 61% of Santa Barbara dwelling units are renter-occupied, as shown in Table 3. There were both higher numbers of owners and renters in 2000 compared to 2008, and a shift of 3% from owners to renters. Since the American Community Survey reports a margin of error of 2 – 3%, this change may not be relevant.

### Vacancy Rate

According to the 2009 California Department of Real Estate estimates, 36,273 of the 37,720 units in the City are occupied, resulting in an overall vacancy rate of 3.84%. The 2008 American Community Survey provides a breakdown by tenure; the homeowner vacancy rate is reported as 1.6 % and the rental vacancy at 5.4 %. Generally a market balance is considered somewhere between 1 and 3 % vacancy for homeowners and from 3 to 5 % for rental housing.

**TABLE 3**  
Housing Characteristics  
Tenure (Renter/Owner)  
2000 - 2008

Year	Number Owner Occupied	Percent	Number Renter Occupied	Percent	Total Units Occupied
2000	14,957	42%	20,648	58%	35,605
2008	13,774	39%	21,108	61%	34,882

### Age and Condition

Housing age and condition is based on the number of individual dwelling units in the City. Within the City of Santa Barbara, 9,252 homes were constructed prior to 1939. This is a higher percentage than any of the subsequent decades. This represents almost a quarter of the City's housing stock.

Out of the City's total housing stock, only 1,876 units, or approximately 5 %, are less than 20 years old. 48.6% of the City's housing stock is more than 40 years old. See Table 4.

**TABLE 4**  
Housing Characteristics – Year Housing Built

Year Built	Number	Percent	Annual Average
1939 or earlier	9,252	24.2%	-
1940 to 1949	2,550	6.7%	255
1950 to 1959	6,774	17.7%	677
1960 to 1969	5,707	14.9%	571
1970 to 1979	8,276	21.6%	828
1980 to 1989	3,808	10.0%	381
1990 to 1999	940	2.5%	94
2000 to 2004	364	1.0%	79
2005 or later	572	1.5%	143
<b>TOTAL</b>	<b>38,243</b>	<b>100%</b>	

Source: US Census Bureau 2008 American Community Survey

A 1990 housing conditions survey was conducted by the Housing Rehabilitation Loan Program Staff of homes along selected blocks in the west downtown and Westside neighborhoods, which both have higher than average concentrations of low-income residents. This was a sidewalk

survey, in that it was a visual inspection made from the right-of-way. The condition of each house was evaluated based on the condition of the roof, siding, paint, windows, electrical service, driveway, and type of foundation.

While there has been no formal survey work done since 1990, the City's Home Rehabilitation Loan Staff estimates the housing characteristics identified in Table 5 are roughly the same today, based on their field observations and loan applications. City Building Inspectors also performed an informal survey and came to the same conclusion. The indicator used by staff to identify the most severely dilapidated housing are the Census data regarding the number of dwelling units lacking complete plumbing facilities. Out of the city's 34,882 occupied housing units only 108 lacked complete plumbing facilities.

**TABLE 5**  
Housing Condition – 1990

Condition	Number	Percent
Good	59	11%
Fair	166	31%
Poor	248	47%
Very Poor	55	11%
<b>Total</b>	<b>528</b>	<b>100%</b>

source: City of Santa Barbara Survey of Selected Areas, 1990

## Lead-Based Paint Hazards

Lead-based paint in residential units can pose severe health risks for children. HUD provides a general formula to estimate the potential presence of lead-based paint (LBP) in housing units built prior to 1979, before this type of paint was banned. These estimates for Santa Barbara are shown in Table 6. The City's Housing Rehabilitation Loan Program uses contractors who are qualified to conduct lead-based paint identification, assessment, and clearance services to reduce lead hazards for its housing rehabilitation projects.

In a 1992 study conducted by the Child Health and Disability prevention division of County of Santa Barbara Health Care Services, approximately 2,400 children were tested for levels of lead present in the bloodstream. The study revealed no clustering of high blood lead content cases. The Environmental Health Department reports no cases of lead present in the blood above acceptable levels.

The EPA action level for blood lead content is 10 micrograms/deciliter. Approximately 3 percent of the children in the study exceeded this level. The incidence of lead based paint hazard is not necessarily dependent upon the number of medical cases, however. Incidence of lead based paint correlates most directly to the age of a given structure. HUD has adopted the following probabilities based upon national averages, as an approximate estimation of the incidence of lead based paint upon the age of the structure:

**TABLE 6**  
Lead-Based Paint Incidence

<b>Year Built</b>	<b>Percent Incidence of LBP</b>	<b>Units Effected</b>
After 1980	---	---
1960--1979	62%±10%	7,854
1940--1959	80%±10%	7,024
Before 1940	90%±10%	7,206
Total		21,904

To determine the tenure and income group populations affected by LBP hazards, the following table was generated based upon HUD supplied data.

**TABLE 7**  
Estimated Low Income & Very Low Income Units  
With Lead Base Paint

		<b>Pre-1940</b>	<b>1940-1959</b>	<b>1960-1979</b>
<b>Renter</b>				
	Low Income Units	1,476	501	2,445
	Very Low Income Units	610	162	778
<b>Owner</b>				
	Low Income Units	11	31	22
	Very Low Income Units	50	15	159

Source: 1980, 1990, 2000, Census, 2008 American Community Survey

## HOUSING COSTS

### Affordability - Ownership

The market in Santa Barbara has undergone what is widely accepted as a market correction since 2005, with prices softening in all sectors of the market except for the luxury market (over \$2 million). There has been a significant reduction in prices with single family homes now available even in the \$500-600k price range. Current home values are similar to values seen back in 2004 (\$825,000 vs. \$880,000).

Based on City of Santa Barbara sales data compiled by the Santa Barbara Association of Realtors, it is estimated that the median price for all homes sold in 2009 was approximately \$825,000. Median price for all homes sold in 2008 was \$990,000, and for 2007 was \$1,125,000. This is a drop of 27% during this 2 year period. Prices remain higher in Santa Barbara than in other South Coast communities like Carpinteria and Goleta which both report median sales price for the year of around \$700,000

A household income of over \$200,000 would be needed to purchase the median priced home in the City, assuming a 20% down payment. The median household income reported in the 2008 American Community Survey for the city was \$60,788. The median household income could

purchase a house of approximately \$262,000. For comparison, the median priced house in California was \$359,787, which would make it affordable to a family earning \$83,000.

While many more homes are now affordable to more families, the median priced home is still only affordable to less than 10% of households.

## Affordability - Rental

With fewer home sales overall, and an increase in foreclosures more families are looking for rental housing. High unemployment, job uncertainty, sellers holding out for better prices, and the credit crunch have made it so few families are able to take advantage of the lower house prices, although some investors and landlords have been able to add to their inventory.

So, while house prices have dropped, these increasing demands have kept pressure on the lower end rental market.

In April, 2009, City staff conducted an informal survey of the advertised rental rates for apartments in Santa Barbara and nearby areas on the South Coast. The following chart lists the median monthly rental rates by bedroom count for the 370 classified ads and internet listings found on a chosen Sunday.

One bedroom	\$1,270
Two bedroom	\$1,675
Three bedroom	\$2,350,
Four bedroom	Not sufficient data

Since 2000, both the cost of housing and median income level has risen. Although the cost of housing has almost doubled, incomes have only by increased a few percentage points. This may currently tie directly to the increased amount of income spent on housing, since the higher costs have not lead to more overcrowding and lower vacancy rates.

The 1,890 rental households earning less than 30 percent of AMI grossly outnumber the 590 rental units available at affordable rents.

The 2,306 rental households earning 30 to 50 percent of AMI outnumber the 2,135 rental units available at affordable rents.

## Overpayment

Generally, overpayment considers the total cost for housing a household pays compared to the household's ability to pay. For the renter, this figure would include rent and utilities. For the owner, this figure would include monthly housing payment (mortgage, insurance and taxes) and utilities.

Households should spend no more than 30 percent of their income for housing. Those that pay more are defined as having a housing cost burden. Overpayment is a key indicator in the measurement of affordability within the City of Santa Barbara. Overpayment is a concern for target income households since they may be forced to double-up or cut other necessary expenditures such as clothing, health care, or education, in order to afford housing.

Based on 2008 American Community Survey of the City's total households, 11,887, representing 58.2% of all renter households, and 6,245, or 67.2%, of all owners who pay mortgages paid more than 30% of their income on housing.

## OVERCROWDING

Overcrowding is defined by the Census as more than one person per room, excluding the kitchen, porches, bathrooms, and hallways. Overcrowding can be linked to the supply of affordable and adequate housing. Though overcrowding is relatively low in Santa Barbara, renters experience much more overcrowding than owners.

**TABLE 8**

Housing Characteristics - Overcrowding  
1990 – 2008

Year	Overcrowded Units	Occupied Units	Percent Over-crowded
1990	3,646	34,348	10.6%
2000	4,346	35,605	12.2%
2008	1,797	34,882	5.2%

source: 1980, 1990, 2000 Census, 2008 American Community Survey

What may be more significant is the amount of overcrowding for households below the poverty level. In owner-occupied housing units where the householder is living below the poverty level as defined by the Census, the rate of overcrowding is 16.9%. For renter-occupied units, overcrowding occurs at a rate of 27.4% when the householder is below the poverty level. More of those below the poverty level are forced to double-up to make their rent or house payments. Although figures from the 2000 census have not been updated, it is not expected that these figures would have improved significantly the current economic climate and its effects on those at the lower end of the income scale.

Overcrowded conditions also affect those with large families. Although approximately 27% of the family households have more than 2 children, only 9.2% of all units in the City had three or more bedrooms.

One of the frequent consequences of overcrowding is the creation of illegal dwelling units, such as occupied garages. The high incidence of these residences signifies a housing market that is lacking units affordable to low-income households or larger households.

## Public and Assisted Housing

The City has successfully operated various affordable housing programs, with the goal of increasing the supply of safe, attractive, and affordable housing. There are currently over 5,000 affordable units in the City including units with affordability agreements, owner-occupied rehabilitation units, and Section 8 vouchers. Within the category of units with affordability agreements are the following categories:



• Senior Rental	1,142
• Rental – not restricted to seniors	1,363
• Ownership	335
• Resident-owned Mobilhome Park spaces	70
• Secondary Dwelling Units	10
Subtotal Units with Affordability Agreement:	2,920
• Section 8 Certificates and Vouchers currently in use (1,955 less 605 included in unit counts above)	1,350
Subtotal with Agreements and Vouchers	4,270
• Single-family owner-occupied rehabilitation	572
• Beds in group homes or shelters	416
Total Affordable or Assisted units or beds in City	5,258

More than 11% of the dwelling units in the City are subject to long-term affordability restrictions. These numbers include units owned and operated by the Housing Authority. The City provides three major types of assistance. Grants and loans are provided for rehabilitation, preservation of existing stock, and production of new affordable housing. The bonus density program allows more units than would normally be permitted by zoning in order to make it profitable to provide new affordable housing units.

Public housing in Santa Barbara is under the jurisdiction of Housing Authority of the City of Santa Barbara (HASB). The City does not own or operate any public or assisted housing.

The Housing Authority of the City of Santa Barbara (HASB) manages the Housing Choice Voucher Program (formerly Section 8). The Housing Choice Voucher Program provides a tenant-based rental subsidy to low-income households to assist with housing costs.

1955 households in the City of Santa Barbara participate in the HASB-administered Housing Choice Voucher (HCV) Program. Family Self-Sufficiency Program enables HCV households to move from public assistance to independence, and freeing those units for others in need. Both programs are administered by HASB for HUD.

## Barriers to Affordable Housing

The above-described conditions are due to a number of impediments to the development of affordable housing in the City of Santa Barbara.

The biggest factor in the City is the lack of available land. Being a built out city, there are no large tracts of vacant land. Project costs must include demolition costs, and the increased costs associated with building within an established neighborhood, which usually result in lower density, building size, and restricted construction hours.

While the value of land is less today than a few years ago, construction costs are considerably higher. Banking regulations and practices have made it more difficult to obtain traditional financing. These have resulted in greater up front costs for housing developers as well as owner-

builders. Even when financed publicly, the result is that more creative solutions are required to get a new affordable housing project built.

Rents have not dropped with home prices, creating a pinch on the working poor, who end up spending far more than 30% of their income on housing in the South Coast market. The loss of jobs overall and the high unemployment rate has increased the importance of homeless prevention and shelter programs. Transition House, a local shelter provider, is finding that because of the large need almost 100 percent of its clientele is homeless families. They have been restricted to providing for the greater need of helping families, resulting in there being no room for individuals. Also, a greater demand for rental assistance programs is being felt by the Housing Authority, while the gradual reduction of HUD funding has affected the ability of the Authority and the nonprofits to provide all the needed assistance.

While it would be logical to assume that reduction in the value of land could facilitate production of affordable housing, most potential sellers are opting to wait out the economic slump. The Housing Authority is struggling to create new affordable developments because of the unwillingness of the seller to accept reasonably priced offers.

There is a concern that the low vacancy rate and the desire to increase rental rates could prompt landlords to evict marginal tenants. This could include such groups as the disabled and large families, as well as families with children and minorities. These families will have a great deal of difficulty finding housing in the tight rental market. Many local social service organizations have received requests for aid from these families.

## 5. HOMELESS PROFILE

The reasons why people do become homeless are varied and there is often more than one cause. The leading factors contributing to homelessness are:

- **Poverty** - It may seem to go without saying, but many who cannot meet their monthly housing expenses find themselves homeless. People earning the minimum wage fall below the Federal Poverty Level for a single adult. People living on fixed incomes, either general relief or Social Security, are finding it difficult to find housing in the Santa Barbara housing market.
- **Housing Prices** - The Santa Barbara housing market is one of the most expensive in the nation. As a result a large percentage of the local population spends more than half of their income for rent or who live in severely substandard housing. Many of these individuals and families would qualify for housing assistance, however the City Housing Authority has over 4,300 persons on their public housing wait list, and over 3,800 on their Section 8 wait list
- **Disability** - People with disabilities who are unable to work and who rely on entitlements such as Supplemental Security Income (SSI) cannot cover the cost of a one-bedroom apartment. Any physical restriction limits the number of units that can accommodate a person with a specific disability. Persons who become disabled are often faced with costly modifications to their living space to be able to function.
- **Mental Illness** – Mental Illness can make it difficult to hold a job or sustain social relationships. As a result, maintaining the day-to-day balance necessary to keep a roof over your head is fragile.
- **Substance Abuse** – Alcohol or drug use erodes social relationships, causes health problems and makes maintaining a home tenuous. Substance abuse also frequently co-occurs with mental illness. These cases are the most difficult to house and treat due to the limited availability of integrated treatment.
- **Other** - People find themselves homeless for a variety of other reasons including health conditions, domestic violence, divorce, release from jail, and exiting the foster care system.

Much of the information in this section was obtained from A Report on Homelessness Services in the County of Santa Barbara prepared by Roger Heroux in 2006.

### Homeless Population

According to the National Coalition for the Homeless, more than 3.5 million people experience homelessness during any given year. In California over 400,000, are homeless at any one time, and perhaps up to one million over the course of a year. Because of a high degree of mobility, and low degree of visibility, it is difficult to take a census of people who do not have homes. Some live on the streets, some in cars and others in emergency shelters or transitional housing. A 2008 point-in-time count of homeless counted over 4300 individuals in the County. In 2005, the Public Health Department treated 4,082 unique homeless individuals who received 18,035 encounters for medical, dental & substance abuse care. Many homeless individuals do not avail themselves of county services; many use the hospital emergency rooms, community clinics and some refuse treatment all together. It is not unreasonable to assume that in one year

there are 6,150 homeless in Santa Barbara County. If the national average of 1.5 % of the population applies to Santa Barbara, there might be 1,350 homeless persons in the City.

In Santa Barbara, single men make-up about 60% of the homeless population; more than 20% are veterans. Single women represent 15% of the total homeless population and homeless families represent another 15%. Five percent (5%) of the homeless population is young runaways, & those emancipated out of the foster care system into homelessness. Another five percent (5%) are elderly. One third of the homeless have some degree of mental illness. It is estimated that over 50% of the homeless have substance abuse problems.

## HOMELESS RESOURCES

### Homeless Shelter/Housing

As can be seen in the following table, a number of groups and agencies provide a variety of housing for homeless families and individuals. Some of the housing is classified as Emergency housing in that it is available seasonally or during inclement weather. Some of the space is classified a transitional, intended to bridge a short gap in the lives of those in need, or when they are moving from one situation into another. Permanent units are more long term, and are usually combined with services to help individuals and families get back to work and live and thrive in the community.

**Table 9**  
Total Current Capacity – July 2009

	<u><b>December-March Totals</b></u>	<u><b>April-November Totals</b></u>
Emergency Beds	385	185
Emergency RV Spaces	42	42
Transitional Units/Rooms	98	98
Transitional Beds	167	267
Permanent Units/Rooms/Spaces	242	242
<b>Total Beds/Rooms/Units</b>	<b>934</b>	<b>834</b>

With several thousand homeless in Santa Barbara, and only several hundred units to serve them, the homeless are underserved by a factor of 10. Need for additional housing for homeless individuals and families is critical.

**Table 10**

## Homeless Shelter/Housing in the City of Santa Barbara

<b>AGENCY</b>	<b>BEDS</b>	<b>TYPE</b>
Casa Esperanza- Homeless Shelter	200 beds (December-March) 100 beds (April – November)	Transitional
Santa Barbara Rescue Mission	65 beds (men) 20 beds (women) 30 beds (Sober Living) 61 beds Residential Treatment	Emergency Transitional
Domestic Violence Solutions	21 beds	Emergency
Transition House- Shelter/Prevention	70 beds	
Noah's Anchorage	8 beds	Emergency/Crisis
New Beginnings- R.V. Safe Parking Program	55 total spaces (42 in City - 3 City parking lots, 1 County parking lot, churches, Catholic Charities)	
AIDS Housing - Sarah House	14 rooms	
CHC-Hotel de Riviera	34 rooms	Transitional
Domestic Violence Solutions - Second Stage	14 units	Transitional
Salvation Army	65 beds 40 (15 Women/25 Men)	
St. Vincent's-PATHS	30 rooms	
Transition House-Firehouse	6 rooms	
WillBridge	11 beds 1 bed	Transitional Emergency
Transition House-Salinas	19 units	Permanent
CHC-New Faulding Hotel	81 rooms	Permanent Supportive
Housing Authority -El Carrillo	61 units	Permanent Supportive
Mental Health Association	10 units	Permanent Supportive
People's Self Help Housing- Victoria Hotel	28 rooms	Permanent Supportive
Sanctuary Psychiatric Centers Arlington & Hollister House	35 units	Permanent Supportive
Transition House/Mom's	8 units	Permanent Supportive

## HOMELESS NEEDS

A key component of the City's plan to end chronic homelessness employs a "housing first" approach. Putting a roof over someone's head is the most productive way to end the downward spiral, provide stability, and serve as a platform to create a program to move toward permanent housing. As a result, the City is focusing on increasing the amount of permanent supportive housing, and the intensifying efforts to identify, engage and service the chronically homeless, from street outreach to direct access to permanent housing through vouchers.

Generally the homeless can be divided into three (3) distinct categories with sub-categories:

**At-Risk** - Persons at risk of becoming homeless should be a concern in Santa Barbara County. Many individuals are employed in the service and agricultural industries. They struggle to pay their rent and other daily costs such as food, clothing & transportation. Most cannot afford health insurance for themselves or their families. In Santa Barbara County 17.2% of the county residents live below the federal poverty level. The most direct link to poverty is the educational level. Over 17% of county adult residents have less than a high school education. Many of these individuals and families live in substandard housing or live with multiple families. It is not uncommon in some neighborhoods to find 10-15 persons living in one household. Although house sale prices are much lower today than 3 years ago, rents have been stable. With more people out of work due to the prolonged recession, more and more people are paying higher percentages of their income on housing.

The recession has increased housing instability. According to the Heroux Report, food banks, soup kitchens and food stamp programs are reporting increased demand for services, yet the number of persons on the street or in shelters has not increased as much. Research shows that people will rarely go directly from their own housing, straight to the streets or shelters. Shelters and living on the streets are last resorts after exhausting family, friend, motel, and campground type of resources for housing.

These households have a variety of housing needs. Some need short-term financial assistance or other support services to prevent them from becoming homeless. Some need affordable housing, meaning a housing unit that costs no more than 30% of their income, which is accessible to people who have extremely low incomes.

**Episodically Homeless** - Persons who are episodically homeless include individuals & families who become homeless in times of economic hardship or suffer temporary housing loss which may be compounded by other factors such as divorce, domestic violence, chronic health issues, alcohol or drug abuse, and leaving the foster care system. These persons are also referred to as transitional homeless. They represent 80% of the homeless population according to the Heroux Report. The transitional homeless population consists of individuals and a number of families. These individuals have lower incomes, are younger and have a weaker social support system. With some assistance many transition out of temporary homelessness.

Intervention and transition are important steps in keeping those who are homeless through a single circumstance from becoming chronically homeless. Stabilizing the household and providing a safety net go a long way to allowing those who have been suffering dire circumstances to get back on their feet. Many need supportive housing. Supportive housing is permanent housing that is affordable for people with extremely low incomes that includes on-site supportive services that are designed to help tenants stay housed and work to meet other self-directed goals, such as improving health status, obtaining employment or making connections to the community. It differs from affordable housing in that affordable housing generally includes only very limited or no on-site services. Supportive housing has been proven to be a very



effective model for ending homelessness for people who have serious disabilities and other complex problems.

**Chronically Homeless** - Persons who are chronically homeless are individuals with a disabling condition who have either been continuously homeless for a year or more or have had at least four (4) episodes of homelessness in the past three years. In order to be considered chronically homeless, a person must have been sleeping in a place not meant for human habitation (e.g.; living on the streets) and/or in an emergency homeless shelter. A variety of conditions, either alone or in combination, has resulted in these people being homeless for extended periods, including a substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability.

This population makes up 10%- 15% of the total homeless population and consumes 50% or more of the services as calculated in the Heroux Report. These individuals are usually the most visible, and thus, receive the most negative reaction from communities. These individuals generally live on the streets; they congregate & sleep in parks, under bridges, in door ways, & other public places. They move frequently between the streets, homeless shelters, hospitals & jails. This population includes individuals who passively or aggressively panhandle in shopping areas or engage in public rants or other disruptive behavior.

To meet the needs of the chronically homeless, Santa Barbara will continue to support and expand direct access to housing and “housing first” programs that are successful in getting the homeless off the streets and out of shelters. The El Carrillo, a 61-unit project completed by the Housing Authority in 2006, received Redevelopment Agency funds to purchase the property. The EL Carrillo filled its rooms from homeless and transitional shelters. A network of community agencies is brought together on-site to provide additional vocational, health, financial counseling, drug and alcohol rehab, and social and recreational support services. The Housing Authority just broke ground on a similar project on the east side of downtown, with assistance again provided by Redevelopment Agency funding. Santa Barbara will continue to pull together and seek additional resources to build permanent supportive housing units, expand the number of permanent housing subsidies, maintain a balanced approach to housing chronically homeless singles and families for continued reductions in these areas, and focus on ending homelessness rather than managing it.

There is a tremendous unmet need for housing for the chronically homeless households. The typical combination of effects and high housing costs create a very effective barrier to those who need permanent housing. Homelessness can only be ended by creating affordable and supportive housing units affordable to those with extremely low incomes.

## 6. PROJECTED HOUSING NEEDS

The purpose of this section is to summarize available data on the most significant housing needs of extremely low, low and middle income households, as well as homeless persons and others with special needs and to project those needs over the five year Consolidated Plan period (July 2010-June 2015). The City's Housing Element suggests "housing need" can be defined as "the expectations of an individual or family to live in decent, safe, and sanitary housing in a suitable living environment." Housing need can be said to exist when households are unable to purchase or rent a place to live that is within their economic means or that is physically capable of satisfying their need for space and accessibility. Other indicators of need include rent overpayment, overcrowding, vacancy rates, renter/home owner balance, substandard housing and homelessness.

The variety of housing problems and needs experienced by residents of Santa Barbara requires a range of housing activities to address them. There is no universal solution, nor are there sufficient resources to satisfy all those with housing needs. To remain economically competitive, the city of Santa Barbara must have housing that is affordable to workers with a wide range of incomes. Existing and new businesses consider the availability of workforce housing in making decisions on where to locate. In addition, businesses with goods and services to sell need consumers with discretionary income; in other words, local businesses need a population whose housing costs are not so burdensome that they can't afford to purchase other goods and services.

However, Santa Barbara has one of the lowest rates of home affordability in the country, due to the gap between income and housing costs. The statistics reveal a housing crisis for middle-income people wanting to buy homes, moderate-income families unable to afford decent housing, and poor people living in substandard crowded conditions. These reasons have made Santa Barbara a less desirable place for businesses to locate. For its future economic vitality, the City needs an adequate supply of housing that is affordable to all people.

The need for assistance by the City's low income households far exceeds the available resources. But the City acknowledges that it cannot build its way out of the housing crisis. There simply is not enough supply of land and an ever-increasing demand. The City's substantial efforts have helped to ease the housing problem, but have not been able to solve it. The City will continue to work aggressively to both increase rental and homeownership opportunities while at the same time preserving through diligent code enforcement and targeted rehabilitation of the City's existing housing stock.

The City of Santa Barbara must balance competing needs for scarce resources. Over the next five years, the City will continue to pursue a number of options to accommodate population growth through preserving existing rental housing, creating Transit-Oriented Developments and workforce housing; removing barriers to development of new housing where possible; reducing homelessness through the development of permanent supportive housing; assisting middle-income households through the creation of homeownership opportunities as required by the City's inclusionary housing ordinance; and strengthening neighborhoods through a coordinated design and development process that includes the community's interests.

## BASIS FOR HOUSING NEED PRIORITIES

Based on HUD recommendations, general relative priorities for funding will be as follows:

**HIGH PRIORITY:** Activities to address this need will be funded during the five-year period.

**MEDIUM PRIORITY:** If funds are available, activities to address this need may be funded by the City during the five-year period. Also, the City may use other sources of funds and take actions to locate other sources of funds.

**LOW PRIORITY:** It is not likely the City will fund activities to address this need during the five-year period.

A 'high' priority is assigned to the needs of renter households below 50% of median income, and 'medium' priority is given to those between 50-80% of median income. This is because the lower the household income, the more affected the residents will be by high housing costs, with a greater likelihood of overcrowding, and poor housing conditions.

In each category, highest priority has been assigned to the needs of the lowest income residents, based on the assumption that in this high cost real estate market, they are at greater risk of displacement, homelessness or other serious housing situation due to limited financial resources. Similarly, high priority is assigned to the housing needs of low-income persons with disabilities or other special needs for assistance, given the other difficulties and limitations they face.

## PUBLIC HOUSING NEEDS

The Santa Barbara City Housing Authority (HASB) has waiting lists for low income public housing and for Section 8 certificates programs it administers with 8,238 applicants. The length of time an individual is on the list is from 2 - 5 years. There are currently 494 HUD-assisted public housing units and 1,955 existing Section-8 vouchers. There are also 481 Non-HUD public housing units and another 107 units of senior housing under HUD's rent supplement program – Section 221(d)(3).

The 8,238 applications on the waiting lists are categorized by type of unit needed:

**Table 11**  
Housing Authority Bedroom Requirements  
February, 2009

Bedrooms needed based on family size	Public Housing Wait List		Section 8 Wait List		Combined Lists	
	Count	Percent	Count	Percent	Count	Percent
studio & 1 bedroom	3,190	72%	2,964	77%	6,154	75%
2 bedrooms	895	20.5%	681	17%	1,576	19%
3 bedrooms	252	6%	178	5%	430	5%
4 bedrooms	31	1%	18	0.5%	49	0.5%
5+ bedrooms	15	0.5%	14	0.5%	29	0.5%
TOTAL	4,383	100%	3,855	100%	8,238	100%

5-year Action Plan 2009-2014 Housing Authority of the City of Santa Barbara

**Table 12**  
Housing Authority Wait List Statistics  
February, 2009

Demographics	Public Housing		Section 8	
	Count	Percent	Count	Percent
Total Applicants	4,383	100%	3,855	100%
Elderly	753	17%	550	14%
Non-Elderly	3,630	83%	3,305	86%
Disabled	1,154	26%	977	25%
Non-Disabled	3,299	74%	2,878	75%
Families with children	1,500	36%	1,342	35%
Hispanic	1,826	42%	1,450	38%
Non-Hispanic	2,557	58%	2,405	62%

Income	Public Housing		Section 8	
	Count	Percent	Count	Percent
Less than 30% Median	3,230	74%	2,875	74.5%
31% - 50 % Median	836	19%	721	19%
51% - 80% Median	293	6.5%	239	6%
Above 81%	24	0.5%	20	0.5%

5-year Action Plan 2009-2014 Housing Authority of the City of Santa Barbara

The length of time for the existing waiting list is 2 - 8 years. The Housing Authority allows individuals or families to apply for all lists for which they are eligible, therefore, there is some double counting between the applications shown above. The figures shown are, therefore, an overestimate of the housing need in Santa Barbara.

#### Public Housing Improvements

The Housing Authority will continue to implement its resources to renovate its public housing units. HASB has been able to modernize its existing public housing units including many energy efficiency projects. Current funds are used for modernization and improvements to its public housing units such as, but not limited to, re-roofing, installing new heating systems and fire alarms and overall unit rehabilitation.

HASB must maintain its public housing units in decent, safe and sanitary condition. HASB conducts preventive maintenance inspection of all its units twice a year. Units are also subject to periodic inspections by HUD. HASB is required to track its maintenance work orders (tenants phone in work orders to a centralized work order center) and to report to HUD on turn around times for various categories of work. HUD has consistently found HASB's units to be well maintained and HASB's performance on turn around of maintenance requests to meet standards.

The City will continue to support the Housing Authority in its efforts to meet program goals.

## NON-HOMELESS NEEDS

The Consolidated Plan discusses housing need by income category. Income levels are broken down into a) very low income b) low income and c) moderate income. Because of the numbers of individuals and families in the categories of very low, and low income, and the

disproportionate percentage of their incomes needed to cover housing costs, and the potential for these groups to be forced into sub-standard housing, a high priority level was assigned to their needs. The needs of moderate income households were assigned a medium priority.

## Very low income households

Very low income people/households are those who make less than 30% of the area median income as determined by HUD

Statistics show that 80% of the lower income group is more likely to rent. Very low income renters proportionately have severe cost burden where they pay over 50% of income for rent. It is estimated that there are over 7,616 households that are very low income which are eligible for federal rent assistance.

Housing and services for these households is a high priority need.

Approximately 75% of the 8,238 applicants on the wait list for Housing Authority assistance fall into the very low income category.

There are fewer rental units available to very low income people, resulting in less choice and more competition. Low income owners have a higher percentage of overcrowded households. Low cost housing also has a greater probability of being substandard housing, and in need of housing rehabilitation.

Services to assist persons and families through tough financial times are necessary (pay rent, pay utilities, childcare, education), and may be the factor that keeps a household from becoming homeless.

The number of large families is relatively small, but they outnumber of supply of large affordable units in the City. Thus, those on the waiting list for large family units at the Housing Authority usually wait longer.

The elderly and disabled portion of the very low income group is expanding. Both groups typically have lower incomes, some of them on federal subsidies. These incomes tend to be fixed, so they are hurt by rising costs and inflation. Their need for services tends to increase over time as well.

Minorities have lower median income than the City as a whole and, thus, are a higher percentage of very low income households.

## Low income households

Low income people/households are those whose income does not exceed 50% of the area median income as determined by HUD.

Approximately 70% of low income households rent. Low income renters proportionately have severe cost burden where they pay over 50% of income for rent. Over 4,141 of City households are low income and eligible for federal housing assistance.

Housing and services for these households is a high priority need.

Approximately 19% of the 8,238 applicants on the wait list for Housing Authority assistance fall into the very low income category.

There are fewer rental units available to households in this income group, and they have a greater chance of being substandard housing. Low income households have a higher percentage of overcrowded households. There is a need for housing rehabilitation to maintain the condition as safe and decent housing.

Minorities have lower median income than the City as a whole.

## Moderate income households

Moderate income households are those whose incomes are between 50% and 80% of the area median income. These households face a high cost burden in Santa Barbara's housing market. Most families in this category do not qualify for housing assistance so must compete in housing market, and many have accepted that they will need to pay a high percentage of their income on housing. As a result they can be expected to live in more crowded and possibly sub-standard conditions. There is a need for housing rehabilitation to maintain affordable housing.

Needs of this income group are considered to be a medium priority.

Minorities have lower median income than the City as a whole and, thus, are a higher percentage of moderate income households.

The elderly and disabled are also disproportionately higher in this income group. Their needs are accentuated and their housing costs are greater when they require specially equipped units. Their housing choice is also more limited because they require housing near transit and services

Condo conversions are more likely to displace moderate income households as these are the units that are well located with enough amenities, parking, and open space to be marketed as condominiums. Most new residential development downtown involves the demolition of older rental units and replacement with high-priced ownership units.

## First time homebuyers

In Santa Barbara, the primary need of first-time buyers is for housing units sufficiently affordable that they can be purchased on incomes typical of young professionals who have recently begun their careers. Lenders are increasingly imposing higher credit standards and requiring at least 20 percent down payment, which translates to \$160,000 down on a typically priced (\$800,000) starter home, or fixer-upper, in the South Coast, or \$110,000 on the typically priced (\$550,000) starter condominium.. The first-time home buyer typically does not have the resources to raise such a large lump sum, requiring help from family or friends, and possibly requiring the homeowner to bring in a boarder until the family's income reaches higher levels. The level of support to produce housing affordable to first-time home buyers is difficult to achieve on a number of levels, especially considering land and construction costs.

Because the gap is so great and the amount of funding required to meet the shortfall is so large, funding for this category has to be a low priority.



The City Municipal Code does have an inclusionary housing requirement that provides for some of the need, by mandating the construction of some units deemed to be affordable to the professional “workforce.,” Only a few of these become available each year.

## Households with special needs

Certain persons or households face greater challenges than the general population in finding housing given their unique “special needs” and circumstances. Such circumstances range from fixed incomes to limited mobility to large households. Not all housing units in the general housing stock can meet the housing needs of persons or households with such special needs.

The following section identifies persons and households in Santa Barbara with such special needs, and their unique housing issues. These groups represent a significant part of the City’s population, and efforts must be made to ensure that decent, affordable and accessible housing is available to all such special needs populations.

**Elderly** - Historically, Santa Barbara has been an attractive location for retirees, thus accounting for a senior population that is higher than average for the State of California. The housing market has responded by providing opportunities such as single family residences, senior apartments, retirement life care facilities, and convalescent care. However, the Census information shows that the senior population has declined both in numbers and as a percent of the total population. This could be due, in part, to the substantial rise in housing costs. The percentage of those of 65 living in the City still exceeds the Statewide percentage (14% to 11%).

The number of citizens age 60-74 has decreased, while the number of people age 75 and over has increased. Simply put, people are getting older and living longer. This change in age distribution affects the housing needs of the elderly; each age group may require different levels of assistance (cooking, cleaning, transporting), while the extremely elderly may need special living arrangements, such as group quarters, to maintain the necessary level of care. As Santa Barbara's elderly population grows, the amount of assistance needed will also increase. For this reason the needs of the elderly and frail elderly was assigned a high priority.

Seniors face a multitude of problems. The majority of seniors are women. While a larger number of women are currently in the workforce, those older than 75 are less likely to have previously worked outside their homes, having relied on their spouses' income for support. When their spouses die, they are often left with a fixed income that diminishes in value over time. As the widow ages, she may eventually find herself living below the poverty line.

A large number of seniors over the age of 75 own their own homes, yet their houses are their only asset. Many seniors feel trapped because they do not want to move, but might not otherwise be able to tap the value of their real estate asset.

The majority of seniors are not institutionalized. Older Santa Barbara residents stay active longer, and are thus able to remain in their own homes. Most will choose to live on their own as long as possible. As a result, there is a need for more services to support seniors in their homes.

Many senior households need smaller "efficiency" units to make independent living possible.

The greatest needs identified were for more affordability, more resources, and more case management. The caseload of social services for the elderly has become heavier and more



complex. Housing is merely one part of a spectrum of need. Although there is an urgent need for more facilities, especially affordable ones, today's seniors need support services as much or more than housing.

**Disabled** - The housing needs of the disabled are difficult to measure. The Census information is limited to data on work and transportation disabilities, while the definition of "disabled" varies from one service agency to another. The 2000 Census reports data regarding work disability, and mobility and self-care limitations. There were 4,388 persons reported in the City at that time with either mobility or self-care limitations. 2,149 of the 4,388 with mobility or self-care limitations were 65 or older. Of the 2,329 other persons with both a work disability and either mobility or self-care limitation, it is not known from Census sources how many need supportive services for independent living or require institutional care. Over 25% of those on the Housing Authority waiting lists are disabled. No comprehensive source of information exists as to whether disabled persons, able to live independently, without supportive services, experience greater rates of incidence of overcrowding, cost burden, severe cost burden, or occupancy of seriously substandard dwelling units. However, the disabled have demonstrably lower incomes which tend to indicate a higher incidence of cost burden among this group.

Local service providers were not able to give an exact number of disabled people in the City. They are aware of those who request services, but there are a number of disabled people who are cared for by family or friends, or who manage on their own. The number is also always changing as physical conditions progress or accidents occur. The local service providers did give input as to the need for housing for the disabled. The need for accessible housing is increasing, and there is a need for more ground floor units which are adapted to be accessible to the disabled. Existing ground floor dwelling units can be easily retro-fitted to be accessible by the disabled by installing a series of improvements, such as wider doors, easily opened door latches, ramps, and grab bars.

The broad range of types of disabilities means that making a dwelling unit accessible requires different features for different disabilities. For example, a person in a wheelchair needs extra wide doors, while a deaf person needs a door "bell" that flashes a light on and off. Landlords are often unwilling to make a unit accessible because they believe the process to be complex, expensive, and time consuming. In addition, disabled persons may encounter prejudice because of their disabilities; for example, a person with a speech impediment may be denied housing because, upon initial contact, a landlord may interpret the disability to be another problem such as substance abuse or emotional disabilities.

Affordability is a further problem for persons with disabilities. The Census reports that many disabled persons receive Supplemental Security Income (SSI); due to this limited income, rent often consumes a large portion of their monthly income.

Because of the compound nature of the housing issues affecting the disabled, their needs were assigned a high priority

**Large Households** – Large households are defined as those households with five or more persons. Large households generate a need for units with more than three (3) bedrooms. This housing is more expensive and, due to the higher expenses associated with larger households, less affordable for low and moderate income households. In 2000, the City had 3,710 (10.4%) large households. Of these, 2,400 were renters (11.6% of all renters), 1,310 were owners (8.7% of all owners).

During the discussions for this year's Housing Element update, the need for additional rental housing for larger families was identified as a need. The needs of this group, however, are rated as a low priority.

**Single Parent Households** – Single individuals with dependent children represent another important group with special housing needs. Current information concerning income for single-parent households with children is unavailable. According to 2000 Census data, the housing needs of single-parent households have been increasing. The single employed parent typically desires minimal maintenance housing which is near employment, schools, shopping, day care and recreational areas. The housing needs of this group generate special concern because the single parent household tends to have a lower income and a higher need for social services.

The number of single-parent households with children forms a significant portion of lower-income households in "need." Although no direct measurement of this need has been provided, the Census information provides an indication of the magnitude of such needs. The 2000 Census identified 2,368 female headed households with children (6.7% of the City's households). This is a reduction from the 1990 census figures. In contrast, 2,577 such male headed households with children were identified in 2000. This is four times greater than the number of such male headed households in 1990. Women, however, tend to earn lower wages than men, which increases the need for affordable housing. Families with children, especially single-parent families have stiff competition for units, and more commonly face discrimination.

Because the needs of this group involve the well-being of children, they are given a high priority.

**Alcohol/Other Drug Abuse** – Substance abuse is often termed as a "cause/symptom" because it is sometimes difficult to determine if being homeless triggered substance abuse or if the substance abuse triggered the homelessness. Substance abusers can often be completely rehabilitated, but need a stable, safe environment and quality rehabilitation programs for effective re-entry into mainstream society.

The extreme shortfall between the need for detoxification/rehabilitation facilities and beds, and the actual number of spaces available has been cited numerous times by many groups in the community. This is especially true in discussions related to homelessness, but was also brought up during the City's Housing Element update this past year. The needs of this group were assigned a high priority.

**Persons with HIV/AIDS** – Housing availability to persons with AIDS or related illnesses is currently limited to one facility. Sarah House provides 8 rooms and 3 two bedroom apartments. Heath House was another facility established to provide residential care to persons with AIDS, but it is now used for other purposes due to a lack of demand. This is primarily due to changes in treatment that have allowed AIDS patients to live longer without as much long term care.

Supportive services specifically targeted to AIDS patients are supplied principally through several organizations and are mainly funded by the County of Santa Barbara. These programs serve the physical as well as psychological wellbeing of HIV positive persons. The City assigns a low priority to this need at this time, although funding levels from the County are expected to decrease in the coming years, and the burden of funding these needs may change.

**Victims of Domestic Violence** – Women and children fleeing domestic violence are referred by social service agencies to Shelter Services for Women, which maintains an undisclosed location

in the City. The existing facilities are generally adequate to handle current needs, but demand will likely increase with time, requiring expansion of the program. A medium priority is assigned to this need.

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## 7. OTHER ACTIONS

### OBSTACLES TO MEETING UNDERSERVED NEEDS

The main obstacles to meeting underserved needs are the serious shortfall of funding sources, the resulting lack of capacity available by the service providers, and difficulties in coordinating many layers of funding sources required to implement services and construct new facilities. The City of Santa Barbara Housing and Redevelopment Division will continue to cooperate with community partners to find the most efficient means of delivering services and to seek new outside funding sources.

### BARRIERS TO AFFORDABLE HOUSING

Barriers to affordable housing in Santa Barbara include government regulations and market factors. These barriers exist when the incentive to develop affordable housing does not exist because due to excessive costs. Some of these costs are motivated by economic conditions; others are the result of various political actions.

This section will assess the effect of a variety of barriers on the production of affordable housing.

#### Market Barriers

**Land Cost** – Santa Barbara’s coastal setting and pleasant climate make it a renowned tourist destination, creating a constant demand for housing. Land costs created by this demand can result in costs up to \$250,000 per unit. This starting point pushes the price of units out of the range of low- and moderate-income households.

**Construction Costs** – The cost to build presents another formidable barrier to the construction of affordable housing. Ten years ago costs of \$100 per square foot were the norm for standard construction. Those costs have more than doubled in recent years, resulting in costs of \$200 - \$250 for the most basic construction. Higher engineering costs associated with multi-story construction drives their costs even higher.

**Housing Supply** – Considering workforce housing, according to the 2008 Coastal Housing Employee Housing Needs Survey, only 14 percent of South Coast workers looking to purchase a home have been able to find one meeting their needs in the South Coast. Nearly half of those who responded said the biggest obstacle to purchasing a home is the scarcity of houses in their price range. This problem is exacerbated by rapidly rising housing prices in Ventura County, where the median home price rose from \$257,000 in 1999 to a peak of \$710,000 in 2006. Prices have declined somewhat, but the limited supply locally and increased prices to the south have pushed new homeowners to northern Santa Barbara County, where commutes to Santa Barbara are generally an hour or more, each way.

As reported in the City of Santa Barbara Economic and Demographic White Paper, a 2008 UCSB survey of their employees found that the median target price for a new home, among existing renters, was \$411,000. The only units available in this price range would be in northern Santa Barbara County.

There is a substantial un-met demand for workforce, homeownership housing in the South Coast, including Santa Barbara.

Low vacancy rates – High demand and limited supply, especially of rentals, has resulted in a low vacancy rate. The result is increased competition particularly among low-income households for increasingly expensive housing. The low vacancy rate provides little incentive for landlords to discount rents.

Mortgage financing – Financing for development of residential units has become increasingly difficult to obtain and expensive. The availability of low-interest loans for affordable housing has drastically decreased, while the tax credit program has also shrunk both in volume and in returns.

Lenders have been requiring higher reserves of developers to go along with the higher interest rates. Projects that seemed profitable even two years ago are now highly marginal with these additional costs. The high price of construction loans, coupled with increased liquidity requirements, has made breaking ground difficult. Still, many lenders are hopeful that the federal programs will help spur more production this year.

## Physical Barriers

Limited Land Availability – The City of Santa Barbara is essentially a built-out city. Very little vacant land exists within the city limits. Bordered by the Pacific Ocean to the south and the foothills of the Santa Ynez Mountains to the north, the only possible way for the City to grow would be to the east and west. However, these areas are also already built out. Recent efforts to consider annexation of areas to the west of the City have met great resistance.

Age of Housing Stock – The low growth rate has resulted in much of the housing stock being older. Only 15% of the housing stock is less than 30 years old, and 25% is at least 70 years old. The increasing cost of maintaining these older structures increases the housing expenses of these households, and accentuates the need for rehabilitation assistance.

Locational Factors – Clustering of affordable projects in particular neighborhoods will be discouraged. Existing policies to require scattered site development will continue to guide the location of affordable housing.

Another factor is that affordable projects are proposed in the areas with the densest development already because these are the areas that are zoned to the type of density necessary to make the project profitable. This also subjects the project to additional public opposition during the public hearing process. The threat of denial and additional review time that often results can increase project costs and uncertainty.

The city is fortunate to have a proactive Housing Authority and several active private affordable housing developers.

## Governmental Barriers

Zoning – Much of the City is designated for single-family development, and much of that is built out to capacity. Much of the commercial area allows residential development but the cost of land and construction makes anything but high-income condominiums not profitable to developers. In

its General Plan update process the City has been looking at targeting specific areas near transit for increased density, as long as those units are for rental and are smaller in size so as to be more affordable. Many of the affordable projects built in recent years have been through the City's bonus density program, reducing the cost of development per unit so that some or all of the units can be affordable.

**Building Codes/Construction Standards** – The City maintains the highest building standards. Recent initiatives for energy efficiency, seismic safety, and Plumbing Code updates have increased the already high costs of construction. The only area where the City has granted any reduction in standards for affordable housing has been in parking standards, which typically takes up a substantial portion of any site plan. This has brought down costs for these projects.

**Permit Processing Requirements** – The City's permit processing has both a low threshold for projects to be reviewed, high standards, and multiple layers of review. Costs are increased as more meetings are required to address concerns of committee members and neighbors. Streamlining efforts have led to some improvements in this regard. Property owners still seek additional certainty in the development process.

**Decline in Housing Funds** – Elimination of tax credits for multiple-family housing has all but stopped construction of apartments at the time they went into effect almost 20 years ago. Further reductions in federal and state programs have limited the amount of funding available for affordable housing overall. Lowered tax revenues will exacerbate the problem as all agencies seek to tighten their belts. The City will have to seek creative solutions for property acquisition and development.

## Obstacles to meeting underserved needs

A major obstacle to meeting underserved needs in the City is the high and sustained demand for public services, which is outstripping the City's ability to provide funding. The City is at its limit in terms of additional programming for public service activities; economies and efficiencies must be found within available funding and within the City's available organizational structure in order to maintain a level of support for the City's safety net programs.

The lack of funding will have a negative effect on the City's ability to meet growing service needs, particularly as the City's population grows older, the challenge of providing suitable housing and supportive services continues, and overall, individuals and families require an increasingly higher level of specialized services. Fewer households have health insurance due to higher unemployment and skyrocketing costs. This will ensure increasing demands not only on local hospitals and clinics but in demands for public agencies to provide such services, or to provide referrals to care providers.

A lack of awareness of existing social service programs keeps many individuals and families from receiving social services available to them. An increased awareness will improve accessibility of existing programs and subsidies that will lead low-income households to self-sufficiency.

An additional impediment for economic development is the lack of developable land within the City's boundaries. That combined with the exorbitant cost of land and construction continues to be a significant obstacle to inception of critically needed projects. Many thoughtful and productive economic development proposals, with substantial potential for economic

revitalization and public benefit to residents in an area are hindered by the high cost and unavailability of buildable sites.

The sheer extent of public infrastructure needs overall and ever-escalating construction and materials costs requires that hard decisions by the Mayor and Council must be made in allocating increasingly scarce CDBG funds and City funds to meet its goals.

## INSTITUTIONAL STRUCTURE

This section discusses the role of the City of Santa Barbara, other public sector partners and entities, the nonprofit sector and private sector in the implementation of the City's housing and community development plan.

### City of Santa Barbara

Santa Barbara's Community Development Department is committed to sustainable growth and development in the City in ways that promote sound economic standards, environmental quality and the equitable distribution of jobs, housing and income. The Department is responsible for planning, zoning, building services, redevelopment and housing and community development.

The Planning Division of the Community Development Department was responsible for a major effort the past few years of reaching community consensus on the direction the City will take in the coming years. While any policy direction will be debated in the coming year, there was clear agreement that the City should continue its slow-growth approach and carefully manage its remaining, limited resources as well as protecting the natural environment to the greatest degree possible.

The Housing & Redevelopment Division of the Community Development Department is responsible for managing HUD grant programs, developing housing policy and information, as well as managing the Redevelopment District. The Division is responsible for a number of programs, including:

- Rental Housing Mediation
- Community Development Block Grant and Human Services Grants
- Housing Rehabilitation Loan program
- Fair Housing Enforcement
- Affordable Housing Development

### Partners

Housing Authority of the City of Santa Barbara - The Authority is governed by a seven-member Board of Commissioners appointed by the mayor and confirmed by the City Council. Two members are residents of the Housing Authority. The Housing Authority executive director reports to the Board of Commissioners. The City works closely with the Housing Authority in developing new housing and retaining existing affordable housing stock. Despite these close ties, the Housing Authority is treated like any other developer in the development review process with



any new or renovated project being required to be approved through the regular review/permitting process.

County of Santa Barbara – Working with the Planning and Development Department efforts are coordinated to effectively provide services to City residents. The City and County continue to review their processes and streamline regulations for development.

The County is also responsible for public health. The City works closely with the Public Health Department, Social Services Department, and the Department of Alcohol, Drug, and Mental Health to ensure City residents are having their needs met. Great effort has been taken in regards to the homeless population to see that adequate shelter is provided, and necessary services are available to those in need.

Non-profits - The City works closely with the nonprofit development organizations in the area to try to reach common goals. Non-profit agencies, such as Peoples' Self-Help Housing Corporation and Habitat for Humanity, possess good managerial skills and the expertise to access Federal, State, and private funds. Such agencies are needed as intermediaries since, typically, their funding source does not allow the City to serve as the sponsor. Also, non-profit agencies are able to guaranteeing long-term affordability for very low income renters by restrictions the City may not otherwise be able to place on projects.

Groups of employers and workers have come together to attempt to provide workforce housing. The Coastal Housing Coalition is one that has become more visible and active in promoting workforce housing. Others are working to consolidate resources to make housing affordable to low-income households. Other nonprofit organizations have participated in the housing development program. Most notably the Mental Health Association just completed a 50-unit project in the Downtown neighborhood. Thirty-eight of the residences are allocated to Mental Health Association special needs clients in the very low income category. The remaining 12 rental residences are allocated to downtown Santa Barbara employees in the moderate income category (about \$50,000 for a family of four). These two groups have historically been priced out of the local housing market, and will now have the opportunity to live, work and be a part of the community.

In addition to these special interest organizations, the City also works with and assists a number of other nonprofit groups that offer supportive services, technical assistance and training.

Banks and Savings Institutions - Private lenders and secondary mortgage market entities are active participants in the City's implementation strategy, particularly with respect to the housing development and first time homebuyer programs. The City works closely with the lending community to expand opportunities for homeownership, especially first-time homebuyers. Funds invested by the City in housing development leverage substantial funding from private lenders and from institutions such as the Federal Home Loan Bank.

## PUBLIC HOUSING ADMINISTRATION

### Management and Operation of Public Housing

The Housing Authority of the City of Santa Barbara is a local public agency that provides safe, decent, and high quality affordable housing and supportive services to eligible persons with limited incomes, utilizing a variety of federal, state, local, and private resources. The Authority

takes pride is serving more than just the day-to-day housing needs, but to explore the well-being of its diverse residents.

The Authority's Resident Services Department works with their tenants to address their needs, whether it is assistance toward obtaining self-sufficiency, coordination of job training, educational efforts, youth activities, and home ownership counseling. The Authority constantly strives to improve its property and human resource management, and its operations by seeking out new ideas from both residents and staff.

The Housing Authority's most recent 5-year Action Plan covers the years 2009 – 2014, and charts their course to address identified needs through measurable goals and objectives. As part of its Public Housing Assessment System which targets program delivery, management operations and physical condition of housing units, the Authority surveys its residents. The survey covers physical maintenance, general security, customer satisfaction, and resident involvement. The Housing Authority uses the results to target specific areas that need attention. The Housing Authority consistently achieves the status of "High Performer" from HUD.

### Living Environment of Public Housing Residents

The Santa Barbara City Housing Authority has received national, state, and local recognition for the excellent quality of its public housing stock.

The Housing Authority continues to upgrade and remodel its units, site layouts, and landscaping to improve living conditions and to foster neighborhood compatibility. Landscaping improvements over the past 10 years has resulted in most of the more than 50 properties incorporating improved drainage to reduce property damage, more usable open spaces to improve livability, and transition to drought-tolerant plantings to conserve resources and lower costs. Concerted efforts have also been undertaken in weather-proofing units, and repairing and re-roofing older buildings.

Resident empowerment is high on the list of Housing Authority objectives. It is being realized through educational programs, youth programs, summer camp programs, gardening projects,

### Public Housing Resident Initiatives

The Housing Authority has also been successful in completing projects suggested by its Resident Council. The Resident Council plays a valuable role in the evaluation and development of future programs. The Resident Council is the focal point of information and feedback to Management on a wide variety of topics. While the Resident Council fosters a great deal of input and comment, periodic surveys are undertaken to ensure the voice of those who might not participate is also heard.

The Housing Authority also has two tenant members on the Housing Authority Commission/Board of Directors. The Housing Authority has designated one of their Commissioners to be the Resident Initiatives Coordinator. The Housing Authority also will continue to be represented on the City's Community Development and Human Services Committee which oversees the CDBG funding process and recommends funding allocations to the City Council.

The Family Self-Sufficiency Program should also be mentioned in this regard. The Authority maximizes its resources toward the goal of recycling approximately 4% of its family tenancies per year. Eligible families are identified and encouraged to participate in the program that will ultimately move them away from needing housing assistance and out of their Housing Authority unit. A variety of services, counseling, and programs are utilized to stabilize the family unit, raise their employability, and allow their unit to be used again by another family in need. The program is recognized as being highly successful with a number of participants stating their own businesses, and some being able to afford to own a home of their own.

## FAIR HOUSING

Fair housing is crucial to ensuring that persons of like income levels have equal access to decent, safe, and sanitary housing. HUD requires that jurisdictions receiving federal funds commit to affirmatively further fair housing through the identification and rectification of fair housing barriers.

Housing discrimination exists, but often is unreported because of the high demand for affordable housing. The City regularly investigates complaints of all types of housing discrimination (race, age, ethnicity, religion), but the most common is discrimination against racial minorities, and families with children.

The Fair Housing Enforcement Program is a component of the City of Santa Barbara's Housing & Redevelopment Division. As part of the adoption of the City's Housing Element, the Program was established to assist people who believe that they have experienced discrimination in the rental of housing, with an emphasis on discrimination against families with children. A Fair Housing Enforcement Officer: investigates complaints of discrimination in the rental of housing, provides information/education to tenants and landlords, and may refer cases to the State Department of Fair Employment and Housing or to the City Attorney for civil action.

In addition to continuing its efforts to inform the public and follow up on instances of potential discrimination, the City recognizes the importance of the role having an adequate supply of housing affordable to low-income households is in stemming discrimination. Discrimination generally impacts those with the fewest choices, such as those large families, limited ability to pay, or have some disability. Enhancing the amount and quality of housing available to these groups is recognized as the most effective step in reducing the burden of discrimination.

## COMMUNITY DEVELOPMENT NEEDS

Community development covers such areas as public facilities, infrastructure, and economic development. While these provide the foundation for a successful community, CDBG target areas (low- and moderate-income areas) often have greater needs than the rest of the community.

Community development needs include a wide variety of neighborhood facilities such as child care centers and youth activity centers, improvements to parks and public spaces, human services to support physical development activities, and economic development. Community development needs will be identified based on consultation with staff and review of existing documents, General Plan, and Redevelopment Plan for projects that may assist target income areas or households.

Improvements in target neighborhoods could include public infrastructure and community facilities as well as parks, street lighting, tree planting, pedestrian access, and other community projects, such as neighborhood centers.

## ECONOMIC DEVELOPMENT NEEDS

A highly critical factor in the current economic climate is maintaining the amount of sales tax dollars coming into the City, so that the level of services can be maintained for those in need. For this reason the City is considering ways to attract and maintain higher-paying technical and professional jobs, and considering business retention and expansion activities in the Redevelopment Area.

This is an especially serious time for those families affected by job loss or medical emergencies who may not be able to bear the cost of housing in addition to their reduced income or additional expenses. For that reason the City will make every effort to maintain the economic climate to preserve the City's position as the primary shopping center for the South Coast. Repairs and enhancements of the Downtown neighborhood must be maintained, but ways must be explored to do more with less. Additional items, such as graffiti abatement, must be kept in the budget because of the potential domino effect it can have and the aura of blight that it creates.

It is also the City's goal to provide a variety of economic development activities that create and retain jobs for low- and moderate-income households. Micro-enterprise assistance, job training services, and technical assistance are some areas that may warrant consideration for funding during the Consolidated Plan period.

Providing community services is an essential part of the City's Community Development strategy. Funds will continue to be used for programs addressing community services, such as transportation services, victims of domestic violence programs, children's services, health services, senior programs, housing counseling, disabled services, and crime awareness services.

One area of increased scrutiny in the City is developing programs for youth in conjunction with gang abatement activities. It is expected that there will be increased interest in funding such programs as this topic is discussed further.

## LEAD-BASED PAINT REDUCTION STRATEGY

The City's Housing Rehabilitation Program will continue to regularly tests for lead-based paint hazards whenever a housing unit is being evaluated for rehabilitation. The City cooperates with various agencies when potential hazards are identified to reduce risk of exposure. Additional funds are granted when lead-based paints are identified to facilitate proper handling of any hazardous situation. Informational brochures are made available at the public counter to advise the public of the dangers of lead-based paint, and are made available to outside groups, such as real estate offices and neighborhood associations. Efforts are also underway to implement Environmental Protection Agency testing and safety requirements due to take effect April 2010.

## ANTI-POVERTY STRATEGY

Based on the 2000 U.S. Census, 18 percent of workers in Santa Barbara had household incomes less than \$30,000, where an income of less than \$37,000 qualified as low-income. Of greatest

concern is an increase in the number of individuals and families becoming homeless or at risk of becoming homeless due to poor economic conditions.

Major factors affecting the increase in poverty are unemployment and underemployment and climbing costs, especially of safety-net expenditures like insurance and medical care. The unemployment rate has increased to nearly 10%. During the past few years there was a significant loss of jobs in manufacturing and professional employment in the area, and an out-migration resulting in a reduction in the City's population.

The City of Santa Barbara's anti-poverty strategy includes both policy initiatives that address structural causes of poverty, and the funding of economic and social programs that enable low-income clients to move towards self-sufficiency and end the cycle of poverty. This is enabled through funding and management of the Human Services grants and related programs, which are also discussed in previous sections of this document.

The City's goal in this regard is that an individual or family has enough income, as well as knowledge, personal skills, and support systems necessary to secure safe and affordable housing; obtain quality child care; fulfill education and employment goals, access physical and mental health services; save money for future needs; obtain nutritious food and acquire basic necessities such as clothing; and build strong, stable families.

Citywide factors, such as a severe affordable housing crisis, an economy based increasingly on low-wage jobs, and skyrocketing insurance and health care costs, the City's belief is that not all families can or will achieve the above goals. Thus, service programs must help families move or make progress along a continuum toward self-sufficiency.

The City will continue to focus on self-sufficiency as its primary anti-poverty approach through the Consolidated Plan, both for administering existing programs and implementing initiatives for new human service programs.

A new City wide initiative involves a gang activity reduction strategy. Noting the high correlation between the rate of poverty and low per capita income with the concentration of crime activity, the City must target low-income families with the assistance they need both in home and at school, to curtail the negative effects of this activity on the individuals involved and the community at large. Those living in low-income families are experiencing being exposed to violence either as a victim or as a witness. Exposed individuals show symptoms of Post Traumatic Stress Disorder and clinical depression.

Youth development programs must be included with programs to enable these families to earn enough income to become stable. Immediate action is needed in the poorest households and highlighted the need for better coordination of programs to strengthen their impact and maximize resources.

Each of these goals is reflected in the anti-poverty approach and programs funded not only through CDBG, but also through other City funding mechanisms.

## 8 STRATEGIC PLAN/2010 ACTION PLAN

See attached.

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